

JPRS-SEA-86-202

18 NOVEMBER 1986

## **Southeast Asia Report**



**FOREIGN BROADCAST INFORMATION SERVICE**

## NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

## PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

18 NOVEMBER 1986

## SOUTHEAST ASIA REPORT

## CONTENTS

## AUSTRALIA

Weekly Reports Wheat Deal With USSR (Don Turner; THE LAND, 2 Oct 86) .....	1
Record Wheat Export Defies 'Grain Gluts' (Don Turner; THE LAND, 16 Oct 86) .....	2
Queensland Government, Firm Plan Nickel Rescue Bid (Peter Morley; THE COURIER MAIL, 15 Oct 86) .....	3

## BRUNEI

Briefs	
New Navy Chief .....	5

## INDONESIA

World Bank, ADB To Provide Rupiah Funds (BUSINESS NEWS, 15 Oct 86) .....	6
Sumarlin Denies Time Deposit, Foreign Exchange System Rumors (ANTARA NEWS BULLETIN, 10 Oct 86) .....	8
Thai Bank Official Lauds Transmigration (ANTARA NEWS BULLETIN, 26 Sep 86) .....	10
NU Chief Warns About Playing Islam Against Pancasila (ANTARA NEWS BULLETIN, 11 Oct 86) .....	12
Religious Education Called Ineffective (ANTARA NEWS BULLETIN, 18 Oct 86) .....	13
Briefs	
ADB Loan .....	14
C-130 Overhaul in Malaysia .....	14
Oil Discovery in Irian .....	14

PRC's Unscear Membership Supported	15
Exports to Taiwan, PRC	15
July Trade Surplus	15
Road Construction in Irian	16
Soviet Submarine Report Clarified	16
Transmigration From Lombok	16
Trade Deficit With EEC	16
Some Commodity Exports Banned	17
Oil Discovery in Kalimantan	17
Trade Surplus With India	17

## LAOS

Local Officials, People Discuss Mood Toward Thailand (Pratya Sawetvimon; THE NATION, 22 Oct 86) .....	18
Participants, Atmospherics in Boat Races With Thais Noted (THE NATION, 17 Oct 86) .....	20
Repatriated Refugees, Reasons for Flight Noted (Michael Adler; BANGKOK POST, 23 Sep 86) .....	22
Briefs	
UN-Aided Urban Commission	23
Vientiane Forest Products Sale	23
Forestry School Upgraded	23
Kaysone Sees Thai Ambassador	24
Border Treaty Documents With SRV	24
Xieng Khouang Army Recruitment	24
Criminal Deported to Thailand	24

## MALAYSIA

Yatim-Howe Jakarta Talks Reported (BERNAMA, 21 Oct 86) .....	25
Reporters Denied 'Eminent Lawyer' Representation (BERNAMA, 27 Oct 86) .....	26
'Official Secrets Act 1986' Passes First Reading (BERNAMA, 27 Oct 86) .....	28
Government Plans To Thwart 'Zionist Threat' (NEW STRAITS TIMES, 11 Oct 86) .....	31
Indonesian Police Chief on Illegal Immigrants (Kuala Lumpur Domestic Service, 22 Oct 86) .....	33
Thai Man Sentenced to Death for Firearms Possession (BERNAMA, 27 Oct 86) .....	34

MLC Approves New Economic Policy (M. Krishnamoorthy; NEW STRAITS TIMES, 13 Oct) .....	35
New Budget Export Measures Announced (BERNAMA, 24 Oct 86) .....	36
Defense Ministry Expects Budget Slash (Sabry Sharif; NEW STRAITS TIMES, 13 Oct 86) .....	37
RMAF F5F Crash Reported (BERNAMA, 21 Oct 86) .....	38
Briefs	
Indonesian Illegal Immigrants	40
Navy's Cooperation Against Intrusion	40
Trade Office in Taiwan	40
Joint Exercise in Johore	40
Food Import Measures	40

#### PHILIPPINES

Justice Minister 'Scoffs' at Talk of Coalition Split (THE MANILA TIMES, 20 Oct 86) .....	42
Bishop Fortich Address, Negros Recovery Projects Reported (THE MANILA TIMES, 20 Oct 86) .....	43
Muslim \$5 Million Negotiations; NPA Prisoners Released (THE MANILA TIMES, 20 Oct 86) .....	44
Military Commander Alleges NPA Penetration (ASIAN DEFENCE JOURNAL, Oct 86) .....	46

#### THAILAND

Academic Wants Copyright as Bargaining Chip With U.S. (BANGKOK POST, 11 Oct 86) .....	47
Feature Describes Thai Students' Experiences in USSR (Sinfah Tunsarawuth; THE NATION, 15 Oct 86) .....	49
Government Wants World Bank Support for Project (THE NATION, 4 Oct 86) .....	52
Japanese Suggest Plant Project (BANGKOK POST, 11 Oct 86) .....	54
Prem Wants Support for Farm Sector (THE NATION, 30 Sep 86) .....	55

Finance Ministry Sets Project Priorities (Sam-ang Vutisaksatit; THE NATION, 21 Oct 86) .....	56
Government To Intervene To Maintain Paddy Price (BANGKOK POST, 11 Oct 86) .....	58
Monetary Measures Fail To Stimulate Investment (BANGKOK POST, 11 Oct 86) .....	59
Trade Deficit Expected To Rise During Last Quarter (THE NATION, 15 Oct 86) .....	60
Participants Review Democratic Era, Repression in 1976 (THE NATION, 6 Oct 86) .....	61
Princess Discusses Crown Prince, Beatings (BANGKOK POST, 1 Oct 86) .....	63
Army Advisory Board Led by Thanom To Assert Role (THE NATION, 14 Oct 86) .....	65

## VIETNAM

### INTERNATIONAL RELATIONS, TRADE, AND AID

Peace Year Activities Reported to UN Assembly (Hanoi Domestic Service, 27 Oct 86) .....	66
NHAN DAN Hails India's Stand on Cambodia Issue (VNA, 26 Oct 86) .....	67
Che Sim Receives Ho Chi Minh Communist Youth Group (SPK, 29 Oct 86) .....	68
Hanoi Mass Rally Supports Afghan Government (VNA, 24 Oct 86) .....	69
NHAN DAN Expresses Solidarity With Afghan People (VNA, 25 Oct 86) .....	71

### Briefs

Dutch-Equipped Laboratory	72
Romanian Armed Forces Day	72
SRV-USSR Exchange Pact	72
Austrian National Day	73
Mozambique's Machel Mourned	73
Aid From Soviet Union	73
Polish Youth Delegation Arrives	73
USSR Shoes, Garments Aid	73
Indochinese, ASEAN Delegates Meet	73



## PARTY ACTIVITIES AND GOVERNMENT

Radio Reports Tan An Party Congress (Mai Van; Hanoi Domestic Service, 22 Oct 86) .....	74
---	----

Briefs Nguyen Van Linh Addresses Congress	77
--	----

## ECONOMIC PLANNING, TRADE, AND FINANCE

Briefs Insurance Company Expands	78
-------------------------------------	----

## AGRICULTURE

Radio Reports on Agricultural Progress in Past Six Years (Hanoi Domestic Service, 15 Oct 86) .....	79
---	----

Ten Days of Agricultural Activities Reviewed (Hanoi Domestic Service, 20 Oct 86) .....	80
---	----

VNA Reports on Agricultural Developments in SRV (VNA, 27 Oct 86) .....	82
---	----

Briefs	
Phu Khanh Rice Harvest	84
Dong Thap Rice Procurement	84
Hau Giang Grain Delivery	84
Crop Cultivation Nationwide	84
Northern Harvest Progress Report	84

/9986

AUSTRALIA

WEEKLY REPORTS WHEAT DEAL WITH USSR

North Richmond THE LAND in English 2 Oct 86 p 3

[Article by Don Turner]

[Text]

RUSSIA is believed to have bought at least 300,000 tonnes of mainly weather-damaged Australian wheat — a tonic for farmers flattened by last week's one million tonne sale to the Soviets by the EEC.

Senior industry sources, who did not want to be named, said the bulk of the sale was weather-damaged GP wheat.

At least 180,000 tonnes will be shipped from NSW where more than one million tonnes of "old season" wheat is still in store.

The sale is reported to have been clinched several weeks ago at disappointing prices, well in advance of the September 30 closing date of the recent American offer to sell 3.85 million tonnes of wheat to Russia.

Australian Wheat Board general manager, Ron Paice, while refusing to comment about the truth of reports about the Australian sales to Russia, said the Soviet decision not to take up the US

wheat offer was cause for optimism in the Australian industry.

Russia is expected to significantly boost wheat imports to 19 million tonnes this year.

Mr Paice admitted that with about an extra two million tonnes to buy and the breach of its long term agreement with the US, the four remaining exporters, including Australia, could hope to increase overall exports to Russia in the new buying year.

However, Grains Council of Australia president, Mick Charles, said the EC was negotiating the sale of a further two million tonnes of wheat to Russia after the announced sale of one million tonnes of heavily subsidised grain at the weekend.

Mr Charles said he was concerned about the size of the \$US35 a tonne offered by the EC which, if the second sale went ahead at the same price, would amount to a \$US500 million gift to the Russians.

The EC effectively undercut the recent US offer by \$US11 to \$US76 a tonne, a move welcomed by Soviet buyers charged

with a massive import order to fill, he said.

Mr Charles warned that growing pressure on the USSR's foreign currency earnings in the past year — partly a result of the drop in world oil prices — would make price the ultimate consideration in any future Russian wheat deals.

Primary Industry Minister John Kerin held meetings with the National Farmers Federation and the Wheat Board over the EC sale.

The NFF claimed the EC sale could cost Australia \$400 million by pushing the world wheat price to a new low of about \$US90 a tonne with the prospect of it dropping even further.

Australian Trade Minister Mr Dawkins has also warned growers not to count on a quick turnaround in the current trade war, despite headway made in Uruguay recently.

Speaking in Perth, on his return from the latest round of talks on the General Agreement on Tariffs and Trade (GATT) Mr

Dawkins warned that world commodity prices were bound to deteriorate into the 1990s.

He said the budgeted cost to the US, EEC and Japan of all farm subsidies would this year be in excess of \$US76 billion following on from a \$US60 billion last year.

The Cairns "fair traders" group — formed in August — had turned the focus towards the root causes of the current agricultural crisis, but it would be well into the 1990s before the commitment given at GATT could be implemented.

"If there is strong enough political will, the upcoming round of negotiations in Geneva could conclude within two years," he said.

After its success at the GATT talks, the fair traders group had agreed that it would continue to meet regularly in Geneva, in the course of the negotiating process and also at ministerial level to make sure the momentum and spirit of the initial talks was sustained.

/9317

CSO: 4200/91



AUSTRALIA

RECORD WHEAT EXPORT DEFIES 'GRAIN GLUTS'

North Richmond THE LAND in English 16 Oct 86 p 7

[Article by Don Turner]

[Text]

AUSTRALIA exported a record 16 million tonnes of wheat in the past shipping year, despite serious grain gluts in the EC and the United States.

And the Australian Wheat Board increased its market share in 1985-86 against the onslaught on world markets of cheap American and European grain.

The Australian Wheat Board chairman, Clinton Condon, said he expected export sales of between 15.5 to 15.7 million tonnes in the coming year.

He said the 16 million tonne export record — valued at \$2.8 billion, and 1.3 million tonnes more than the previous year — had been achieved despite the efforts of other major exporters to reduce Australia's market share.

He told the Grains Council of Australia (GCA) half-yearly meeting in Canberra last week that recent sales and developments suggested that the

present depressed prices for prime hard and ASW wheats would continue "for some time".

He warned that a forecast increase in the world wheat trade from 88 million to 90 million tonnes could be offset by production increases in China and Canada.

Food wheat prices next year would fall to an all-time low because over supply was increasing pressure on farmers to harvest earlier in the season to get a quality, clean crop, he said.

But while prices would continue to play a critical role, the board was confident of keeping market share because it and other smaller exporters had not caved-in to 12 months of selling pressure from the big subsidising nations.

Mr Condon also defended the Wheat Board against concern at its lack of accountability to the GCA under new legislative arrangements, including its performance in international wheat marketing.

He said consultation between the two bodies — as required in new legislation governing the board — was working well despite concern by the Primary Industry Minister, John Kern, that consultation with growers was breaking down.

Mr Kern had given instructions to the Wheat Board's consultative group to provide sensitive information to GCA representatives, including what was happening in the world market place.

"I have a strong conviction that this process must be made to work, although there may be a problem in getting that information out to more GCA members," Mr Condon said.

Mr Condon said despite speculation that the Wheat Board was losing out on big wheat sales — particularly to Russia — most recent deals were within established trading patterns.

He said the recent deals by Russia with Canada and the EC were to be expected.

AUSTRALIA

QUEENSLAND GOVERNMENT, FIRM PLAN NICKEL RESCUE BID

Brisbane THE COURIER MAIL in English 15 Oct 86 p 1

[Article by Peter Morley]

[Text]

THE State Government and a Bond Corporation subsidiary will join in a \$72 million plan to rescue north Queensland's ailing Greenvale nickel project.

The Queensland Treasury will put \$30 million into the plan, announced yesterday by the Premier, Sir Joh Bjelke-Petersen, as part of the National Party northern policy.

Sir Joh announced that the Bond Corporation, through Metals Exploration Qld Ltd, would join with the other partners to spend \$42 million on new port facilities to import nickel.

Greenvale's nickel deposits are expected to run out by 1992. By importing ore from New Caledonia or Indonesia, the partners hope to raise the quality of nickel to obtain the best return on world markets.

On Tuesday, Metals Exploration Qld Ltd announced a \$104 million half-yearly loss on Greenvale.

The Bond subsidiary owns half Greenvale.

Sir Joh yesterday said the project had enormous debts but it would have been in "real trouble" if Bond was not behind it.

"He has taken over when other backers have pulled out," Sir Joh said.

The Greenvale project has been dogged throughout with financial difficulties caused by depressed world prices.

Already the State Government has guaranteed more than \$100 million in borrowings.

Sir Joh said the latest proposal would secure the long-term future of the plant and its 700 employees.

"The State Government has been instrumental in facilitating a program which will allow the importation of ore to preserve jobs at the plant until well into the next century," he said.

The Greenvale consortium would spend \$42 million on a pier and conveyor facilities to take the imported ore.

In the next five years, the State would make \$30 million in additional payments to the European bankers who had backed the project. This would be in the form of interest subsidies to offset financial changes since they had become involved in the project.

"It is a positive demonstration of our recognition of the important part this project plays in the economy of Townsville and North Queensland generally," Sir Joh said.

In his policy speech, Sir Joh promised cheaper fuel and rail freight rates and undertook to keep Collinsville power station running for another three years at least.

He promised further payroll tax initiatives and said the specific needs of the north would be addressed by a new industry development strategy.

He called for expressions of interest from the private sector for establishment of a free-trade zone — similar to one being set up in the Northern Territory — for north Queensland.

Sir Joh also promised new hospitals, police stations, money to guarantee the Cooktown water supply and a further \$130 million for the Burdekin Falls Dam.

He said the Government was deregulating the carriage of fuel on rail and introducing corresponding freight rate reductions.

The reductions scheduled for implementation next financial year would be brought forward to January 1.

Total deregulation of the transport of petroleum products would be brought forward to July 1 instead of the beginning of 1988.

"When fully implemented across the State the assistance will facilitate competition and reductions in fuel prices to be passed on to consumers," he said.

/9317

CSO: 4200/91

BRUNEI

BRIEFS

NEW NAVY CHIEF--Royal Brunei Armed Forces Navy changed hands on Tuesday [30 September] with the appointment of Lieutenant Colonel Mohamed Neoh bin Abdul Hamid as its chief. He took over the duties from the outgoing Lieutenant Colonel Dato Haji Kifli who held the position since 1983. Lieutenant Colonel Mohamed Neoh joined the forces in 1967. [Summary] [Kuala Belait THE BORNEO BULLFTIN in English 4 Oct 86 p 2 BK] /9738

CSO: 4200/73

INDONESIA

WORLD BANK, ADB TO PROVIDE RUPIAH FUNDS

Jakarta BUSINESS NEWS in English 15 Oct 86 p 7

[Text]

The World Bank and the Asian Development Bank are expected to help Indonesia in the procurement of rupiah funds as the fall of oil revenue has caused the country to be short of the rupiah funds. Those two financial bodies have agreed to participate in bearing the rupiah financing by increasing the portion of their assistance from 60% to 80%, Minister of Finance Drs. Radius Prawiro told reporters after he met President Soeharto at Cendana here recently.

Minister Radius Prawiro and Governor of Bank Indonesia Arifin Siregar met the Head of Government to report the result of their talks with the two financial bodies and the participation of Indonesia at the recent meeting of the International Monetary Fund (IMF) and the annual meeting of the World Bank in the United States.

The Indonesian delegation discussed with the World Bank and the Asian Development Bank the handling of development projects in Indonesia, which has been included in the development program for 1986/87 and 1987/88. Indonesia is endeavouring to smoothen the handling of projects to be financed with funds derived from multilateral aid, Radius said.

Foreign currencies from the World Bank and ADB for the cost of the projects have been available, but the Indonesian Government must provide the rupiah funds. At present about 60% of the value of projects consists of financial assistance

provided by the two financial bodies, and the remaining 40%, particularly the rupiah sector, must be procured by the Indonesian government. But the provision of the rupiah funds by the government has been declining as a result of the oil price fall.

CO-FINANCING : The Indonesian Government is looking for co-financing assistance from other financial institutions, according to Radius. The co-financing assistance is expected to be given in rupiah to complement the cost of the projects in 1986/87 and 1987/88, he added.

Radius is against the assumption that it is necessary to convert deposits into bonds to overcome the shortage of rupiah funds. In this context, he pointed out that funds in the form of deposits would be channelled to the private economic sector. These funds are used to finance private economic activities, he explained.

Funds derived from deposits, according to Radius, cannot be used to finance government activities. The government uses funds derived from tax collection and foreign aid for its projects, he said.

/9317

CSO: 4200/78



INDONESIA

SUMARLIN DENIES TIME DEPOSIT, FOREIGN EXCHANGE SYSTEM RUMORS

Jakarta ANTARA NEWS BULLETIN in English 10 Oct 86 p A9

[Text] At a press conference here, Sumarlin strictly dismissed the rumours in the public that time deposits held in banks will be frozen and replaced by government bonds.

"Although it is not true, the news has created restlessness among part of the public. However, this restlessness has not caused the run of capital overseas," said Sumarlin, who also serves as Minister for National Development Planning.

Describing time deposits as very significant in the government programs, he noted that time deposits would encourage the public to save their money in banks which will distribute the funds in the form of credits to the business sector.

"The availability of huge bank credits will greatly spur the economy," Sumarlin said, calling on the public to keep maintaining their money in banks.

In this context, he stressed that the interest gained from time deposits is exempted from tax and that there is no tax imposition on the profits due to the difference of value in the dollar deposits following the devaluation of the rupiah.

Sumarlin said the government is also not going to regulate the interest rates for credits and deposits in accordance with the June 1, 1983 monetary measure.

Commenting on the current move by many banks to begin lowering their interest rates for deposits, Sumarlin said it might be meant to cut their interest rates for credits. "After the devaluation, perhaps they have a great deal of liquidation," he added.

## Foreign Exchange System

The minister also voiced the government's determination to continue maintaining the present existing foreign exchange system.

"Therefore the devaluation is meant not merely to save and keep our balance of payments in good and steady condition, but also to maintain the present existing foreign exchange system," he said.

Sumarlin warned that if the exchange flow is checked, it would surely create various difficult problems such as black exchange markets, the holding of foreign exchange overseas through higher imports and lower exports.

In addition, there must be a distribution in the spending of foreign exchange for importation, development and the public that can easily lead to many troubles, he said.

Sumarlin added the control of foreign exchange would also stimulate the flow of capital and discourage interest in investment badly needed for the national development.

/9317

CSO: 4200/78

INDONESIA

THAI BANK OFFICIAL LAUDS TRANSMIGRATION

Jakarta ANTARA NEWS BULLETIN in English 26 Sep 86 p A8

[Text] Banjarmasin, September 26 (ANTARA)--The Thai Agricultural Bank and Agricultural Cooperative (BAAC) team and its consultant from the German International Development Foundation (DSE) have jointly declared that Indonesia's transmigration program is a necessity and there are no grounds to accuse it as "javanization."

The deputy president director of the BAAC, Suwan Traipol, and the coordinator of BAAC's Training Group from the DSE, Robin Bickley, pointed this out to ANTARA in Banjarmasin on Friday when requested to give their impression after surveying transmigration sites in South Kalimantan Thursday.

"It is a very narrow view indeed, if one calls Indonesia's transmigration program a javanization process," Suwan said.

Suwan considered Indonesia's transmigration program as a distribution of population from dense populated Java, and at the same time aimed at improving the welfare level and at equal distribution of development.

Without transmigration, he said, development in Java would be facing difficulties and the regions outside Java would not be productive.

After meeting and having discussions with the transmigrants, I am astonished, he said. They look healthy, full of spirit and happy, which would not be possible if they remained in crowded Java, he added.

Robin Brickley was of the same view as Suwan. "Imagine," he said, "beggars from Jakarta could be motivated to become development pioneers in Kalimantan." This has been made possible through the motivation and encouragement from public prominent figures, prominent ulamas and the government, he added.

The BAAC and DSE Training Group team visited various transmigration sites in South Kalimantan, such as transmigration sites at Batu Ampar, Batu Tungku, Banua Tanah, Takisung villages.

The team's visit is a comparative study on rural development. The Thai government has announced that it will provide credits to small farmers through the BAAC.

Suwan has previously explained to ANTARA that the BAAC is a Thai government bank which specializes in providing credits to small farmers.

In Thailand every commercial bank has to put aside a certain amount each year for credits to small farmers. If they fail to channel these funds, they have to be handed over to BAAC for distribution, Suwan said.

/9317

CSO: 4200/78

INDONESIA

NU CHIEF WARNS ABOUT PLAYING ISLAM AGAINST PANCASILA

Jakarta ANTARA NEWS BULLETIN in English 11 Oct 86 p A3

[Text] Bandung, October 10 (ANTARA)--General chairman of the Islamic organization Nahdatul Ulama (NU) Abdurachman Wahid said it was not right and out of place to play Islam against Pancasila.

He explained that Islam as a religion revealed by God is for all mankind while Pancasila is an ideology binding only for the Indonesia nation.

Pancasila, he added, was born with the emergence of the Indonesian nation while Islam has existed for a longer period. Thus Moslems should in no way place Islam in contradiction with Pancasila, Abdurachman told young Moslems who were gathered in Bandung to undergo leadership training Thursday night.

He said Indonesian Moslems accept Pancasila because in the ideology there is a guarantee of freedom to worship the one God and to fight polytheism and atheism.

The state, he said, has guaranteed that under the Pancasila ideology Islam may continue to exist in Indonesia. In other words, he added, Moslems are free to build mosques, to assemble in organizations and to organize Islamic education.

By that reason, Islam also has guaranteed that Pancasila may exist as long as it gives Islam the above-mentioned guarantees, he said.

Abdurachman reiterated that Islam as a religion is holy and perfect. The holiness and the perfection of the religion should continually be maintained.

The glory and holiness of Islam will be reduced if it is touted as an ideology. In this connection Islam should not be put under the limitation of an ideology created by man.

The leadership training which Abdurachman Wahid addressed was organized by the Islamic youth organization Pemuda Ansor of West Java. Sixty cadres from 24 regencies in West Java take part in the program which would last till October 12.

/9317  
CSO: 4200/78

INDONESIA

RELIGIOUS EDUCATION CALLED INEFFECTIVE

Jakarta ANTARA NEWS BULLETIN in English 18 Oct 86 p A8

[Text] Medan, October 18 (ANTARA)--The curriculum offered by religious education is still ineffective since 70 percent of its concerns general knowledge and only 30 percent about the religion.

This has caused the failure to produce capable and scientific religious thinkers, according to Minister for religious Affairs Munawir Syadzali Thursday at the Universitas Islam of North Sumatra during a one-day visit here to inspect several universities in the area.

Munawir believed the joint decree of the Minister of Education, and Culture, Minister for Religious Affairs and Minister for Public Welfare had been rather against the effort to create Moslem thinkers who really know their subject.

As a result many of the ulemas, after finishing their religious education, possess very little knowledge. All they could do is talk like stage people do, according to Minister Munawir.

Stage people are important, but without scientific thinkers who will be far behind other countries, he said.

Learning from past mistakes, the government has decided to send the best ulemas abroad with the hope that they become critical thinkers.

The ulemas were not sent to the Arab countries but to Europe, since experience shows that those sent to Western countries would be more critical.

/9317  
CSO: 4200/78



INDONESIA

BRIEFS

ADB LOAN--Jakarta, Sept 24 (ANTARA)--The Manila based Asian Development Bank (ADB) announced in Manila Tuesday that it would provide a 90 million dollar loan for Indonesia for the development of oil palm production. According to the announcement quoted by Reuter from Manila the loan was extended with a reimbursement period of 25 years, including five years grace period. The loan was scheduled to be used for an oil palm estate on Sumatra. According to the bank statement, the project was launched to increase the palm oil output of 900,000 tonnes per year in a bid to meet the domestic consumption. [Text] [Jakarta ANTARA NEWS BULLETIN in English 24 Sep 86 p A3] /9317

C-130 OVERHAUL IN MALAYSIA--Subang (Malaysia), Sept 24 (ANTARA/IINA)--Indonesia may send more aircraft for overhauling here if the job done on the Indonesian Air Force C130 aircraft by Airod is found to be satisfactory. He said that although his country had its own aircraft overhauling facilities, the one provided by Airod was also being used in view of the good cooperation and ties between the two countries, according to Malaysian news agency Bernama. "We signed a three-month contract with Airod to overhaul the C130 and Airod has proven that it can do the job well and according to schedule," he added. He said that the C130 was the first foreign-owned aircraft to be overhauled at Airod. Airod was now trying to get two contracts to overhaul aircraft of the United States air force. Three West Asian countries had also shown interest in obtaining Airod's service. [Text] [Jakarta ANTARA NEWS BULLETIN in English 24 Sep 86 p A6] /9317

OIL DISCOVERY IN IRIAN--Jakarta, Sept 26 (ANTARA)--Petromer Trend, a profit-sharing contractor of Pertamina, the state oil company, has recently discovered another deposit in Irian Jaya having a production capacity of 22.01 million cubic feet of gas and 662 barrels of condensate per day. A spokesman for the Department of Mines and Energy here disclosed Friday that the discovery was made in three exploration wells. The first find was at the Klagagi No 1 well, producing 8.49 million cubic feet of gas and 40 barrels of condensate per million cubic feet per day in depths ranging from 1498 to 1509 meters. The second find was at the Klalin No 1 exploration well producing a daily average of 8.56 million cubic feet and 455 barrels of condensate in depths ranging from 2539 to 2547 meters. The third find was at the West Klagagi structure producing 4.96 million cubic feet of gas and 167 barrels of condensate per day in depths from 1775 to 1795 meters. [Text] [Jakarta ANTARA NEWS BULLETIN in English 26 Sep 86 p A3] /9317

PRC'S UNSCEAR MEMBERSHIP SUPPORTED--New York, October 9 (ANTARA)--Indonesia has welcomed and supported People's Republic of China's decision to join the United Nations' scientific committee on the effect of atomic radiation (UNSCEAR) on the belief that China's participation in the committee would give a substantial contribution. Indonesia's support was conveyed by the deputy permanent representative of Indonesia to the UN, Samsi Abdullah, at a special UN Political Committee session Thursday, according to an ANTARA dispatch from New York. [Text] [Jakarta ANTARA NEWS BULLETIN in English 10 Oct 86 p A7] /9317

EXPORTS TO TAIWAN, PRC--Jakarta, October 10 (ANTARA)--Indonesia's export to Taiwan has doubled its export to China, according to data from the Central Bureau of Statistics Friday. Indonesia's export to Taiwan in January until June 1986 stood at US\$151.21 million compared with those to China totalling US\$70.6 million only. In April alone, the export to Taiwan reached US\$37.6 million against US\$29.95 million to China. In May, the export to Taiwan rose to US\$42.6 million against US\$7 million to China. But in June Indonesia's export to China and Taiwan has not much difference respectively US\$18.4 million and US\$19 million. The data showed that in the first three months, Indonesia's export to China continued to increase respectively US\$13 million in January, US\$21.8 million in February and US\$31 million in March. Direct trade between Indonesia and China has just started with the signing of a "Memorandum of Understanding" in July 1985 between the Indonesian Chamber of Commerce and Industry (Kadin) and the Chinese Council for the Promotion of International Trade. So far, the trade between the two countries has been carried out through Hong Kong. [Text] [Jakarta ANTARA NEWS BULLETIN in English 11 Oct 86 p A2] /9317

JULY TRADE SURPLUS--Jakarta, October 11 (ANTARA)--Indonesia's trade balance in July 1986 recorded a surplus of US\$275.9 million, an increase from the previous month's surplus of US\$268 million. Data at the trade ministry showed Saturday that Indonesia's exports in June 1986 stood at 1,181 million dollars against its imports which totalled 913 million dollars, or a surplus of about 268 million dollars. In July 1986, Indonesia's exports and imports respectively increased to 1,203 million dollars and 927 million dollars with a surplus of 276 million dollars. Of the 1,203 million dollars, 511 million dollars were from the non-oil commodity exports and 692 million dollars were from oil and gas exports. Whereas of the 927 million in June 1986, 126 million dollars were obtained from oil and gas exports and 801 million dollars were from non-oil commodity exports. Indonesia's export commodities were among other things plywood, sawn timber, furniture, rubber, coffee, tea, pepper, craft-works, textile including garments, cattle feed, tin and spices. Most of them were exported to the United States, Japan, European Economic Community countries, Eastern European socialist countries, Hongkong, Singapore, South Korea and the Middle East countries. [Text] [Jakarta ANTARA NEWS BULLETIN in English 12 Oct 86 p A1] /9317

**ROAD CONSTRUCTION IN IRIAN**--Jakarta, Oct 12 (ANTARA)--Road construction projects being carried out in Irian Jaya should be continued since it is important for the development of the province, President Soeharto has stressed when meeting with Public Works Minister Eng Suyono Sosrodarsono at Presidential Office here Saturday. The projects include road construction in Jayapura (Abepantai)-Ubrup road (150 km), Jayapura (Yeti)-Wamena (500 km), Merauke-Tanahmerah (400 km) and Nabire-Enarotali (500 km), the minister told reporters. For the 1985/1986 period, the funds to finance the projects which are implemented in phases reach Rp 16 billion and for the 1986/1987 about Rp 11 billion, he said. He explained that the aims of the road construction is to develop the province's hinterlands and to smoothen communications, the flow of goods as well as people from and to the remote areas. In the 1986/1987 fiscal year, it is expected that the hardening of a 202 km long of road in the province could be completed. [Text] [Jakarta ANTARA NEWS BULLETIN in English 12 Oct 86 p A3] /9317

**SOVIET SUBMARINE REPORT CLARIFIED**--Jakarta, October 12 (ANTARA)--A press statement of the Ministry of Foreign Affairs announced here Saturday that the reports in the mass media and in daily newspapers recently on Major General Hartas' statement has been taken out of context. The Ministry of Foreign Affairs, however, admitted many foreign submarines, Soviet as well as those of other countries, do pass through the Indonesian waters, but it was not in violation of the new International Law of the Sea. According to this new law transit passage would be made possible through straits used for international passage. This clarification of the Foreign Affairs Ministry is to avoid misunderstanding caused by mass media and press reports. [Text] [Jakarta ANTARA NEWS BULLETIN in English 13 Oct 86 pp A5, A6] /9317

**TRANSMIGRATION FROM LOMBOK**--Mataram, Oct 16 (ANTARA)--Twenty families comprising 100 people hailing from East Lombok regency, West Nusa Tenggara, left for a transmigration project in East Kalimantan here Wednesday. Up to now, the number of East Lombok's transmigrants who have been resettled reached 194 families (818 people) or 54 percent of the 1986/1987's target notably 350 families. A total of 4,667 families consisting of 19,612 inhabitants from the regency have been resettled since Pelita I (the first five-year development, 1969-1974) up to the third year of Pelita IV. "Participating in the transmigration program means that we have taken part in the national development aimed at improving the standard of living and achieving a brighter future," the regent of East Lombok said when seeing off the transmigrants at the Selaparang airport, Mataram. He urged the transmigrants to work hard in their new settlement and not to come back before they have succeeded. [Text] [Jakarta ANTARA NEWS BULLETIN in English 16 Oct 86 p A8] /9317

**TRADE DEFICIT WITH EEC**--Jakarta, Oct 18 (ANTARA)--The Indonesian balance of trade with the European Economic Community (EEC) during the last two years has always showed a deficit as Indonesia imported much of capital goods and industrial raw material from the EEC countries. According to the Trade Ministry Friday the export value achieved by Indonesia to the EEC countries in 1984 recorded at 1,036.1 million US dollar. While import value from the community stood at 2,058.2 million dollar or a deficit of 1,022.1 million

for Indonesia. Although it had recorded a surplus in trade with Netherland and Italy in 1985, but in generally Indonesia still suffered deficit of 593 million dollar in its trade with the EEC countries during that year. Indonesian export to the Netherland in 1985 worth 392 million dollar against import value of 275.8 million dollar, or a surplus of 116.2 million dollar. While its export to Italy in 1985 worth 151 million dollar against the import totalled 101.4 million dollar, a surplus of 50.6 million dollar for Indonesia. In addition to oil and gas, Indonesian export commodities were also including textile, garment, pepper, coffee, rubber, plywood, sawn timber, tin, palm oil, frozen fish, frozen shrimp, canned food, spices and handicraft goods. The import commodities were capital goods and raw material for industries. [Text] [Jakarta ANTARA NEWS BULLETIN in English 18 Oct 86 pp A4, A5] /9317

SOME COMMODITY EXPORTS BANNED--Jakarta, Oct 19 (ANTARA)--Minister of Trade Ramchari Saleh has decided to ban exports of sawn timber consisting of ramin, putih and agathis wood as well as unprocessed animal hides. [Text] [Jakarta ANTARA NEWS BULLETIN in English 19 Oct 86 p A5] /9317

OIL DISCOVERY IN KALIMANTAN--Jakarta, September 25 (ANTARA)--Total Indonesia, an oil production sharing contractor of the state-owned oil company Pertamina, has recently discovered an oil and natural gas reserve in the Mahakam exploration field off the coast of East Kalimantan. Pertamina spokesman Hamzah Abdullah said Thursday the exploration well, Side-1, where the oil and gas reserve was discovered, is situated in the Kutai basin in the eastern part off the coast of Mahakam about 22 km east of Tunu field and 32 km north east of Bekapai field which are also managed by Total Indonesia. Well drilling on Side-1 was completed on July 8 reaching to a depth of 3874 meters. Five tests on the content layers were carried out within the depth of 2030 m - 3313.5 m and had all shown a success. Test on the fifth layer showed a capacity of 2695 barrels a day with specific weight 40 degree API through a 32/64 inch pipe. [Text] [Jakarta ANTARA NEWS BULLETIN in English 25 Sep 86 p A7] /9317

TRADE SURPLUS WITH INDIA--Jakarta, October 10 (ANTARA)--The trade balance between Indonesia and India in the last three years (1983-1985) had been in Indonesia's favour with the exception of 1984 when Indonesia suffered a deficit of US\$ 31.91 million. Data obtained by ANTARA from public relations office of the ministry of trade showed that Indonesia's exports to India in 1983 recorded a value of US\$ 64.04 million while its imports from India, a value of US\$ 55.13 million, or a surplus of US\$ 8.91 million for Indonesia. In 1984 Indonesia's exports to India recorded a value of US\$ 26.52 million and its imports from India a value of US\$ 58.45 million, or a deficit for Indonesia of US\$ 31.91 million. In 1985 Indonesia's exports to India showed an increase again to a value of US\$ 42.81 million, while its imports from India decreased to a value of US\$ 15.09 million, a surplus for Indonesia of US\$ 27.72 million. Indonesia's export commodities to India among other things, consist of textile, chemical products, cement, essential oils, paper, fertilizer and timber products. Commodities imported by Indonesia from India consist of cotton, chemical products, textile machinery, dye and vegetable oil. The upcoming visit of Indian Prime Minister Rajiv Gandhi to Indonesia from October 13 through 14 is expected to boost economic cooperation and trade between the two countries. [Text] [Jakarta ANTARA NEWS BULLETIN in English 10 Oct 86 p A1] /9317



LAOS

LOCAL OFFICIALS, PEOPLE DISCUSS MOOD TOWARD THAILAND

Bangkok THE NATION in English 22 Oct 86 p 4

[Article by Pratyia Sawetvimon]

[Text]

SAVANNAKHET — Neighbouring Thai and Laotian governors met at a party in this province of southwestern Laos Sunday in a move to improve local ties between the two neighbouring countries.

Tanom Channuwong, governor of the Thai northeastern province of Mukdaharn opposite here, said the trip was his second visit to Laos. The first one, he said, took place a few months ago when his Laotian counterpart invited him to attend an inauguration ceremony for Kaeng Krabao Port of Savannakhet, which is considered the third biggest city of Pathed Laos.

Tanom led a group of about 30 Thai local officials, merchants and villagers across the border to witness races between Thai and Laotian traditional boats on the Laotian side of the Mekong River, which demarcates Thailand and Laos, the two countries' traditional boat races had been halted since 1979.

Than Kidaeng Thammawong, deputy governor of Savannakhet, had crossed the Thai-Laotian frontier early last week to join in other boat races, organized by Mukdaharn provincial authorities, on the Thai side of the Mekong River. The Laotian deputy governor had invited the Thai governor and local officials to attend the Sunday boat race on the Laotian riverbank in return.

The Thai spectators as well as traditional dancers crossed the Mekong River in a ferry and were hailed by thousands of the Laotians

on their arrival at the Laotian port town of Khanthabouli in Savannakhet.

Almost 200 Thai boatmen rowed three long boats across the Mekong to the Laotian riverbank to compete

with the Laotian vessels in the boat races, which were also observed by a dozen of the Soviet spectators. One of the Russians told *The Nation* that he is based in the Laotian province and works for the Soviet assistance programme to Laos.

At the Khanthabouli Port, Than Boonyang Warajit, governor of Savannakhet, and his deputy greeted the Thai governor and his party, which was later brought to a stage on the Mekong riverbank for a clear view of the races.

The Laotian musicians and traditional dancers provided entertainment to the Thai visitors as well as the Laotian officials and the Soviet spectators while the crowd of the Laotian people gathered along a road in front of the stage to watch the shows.

The Thai and Laotian dancers of different ages also staged their traditional dances together along the road in order to prove that the tradition and culture of the two countries are almost alike.

A Laotian announcer told the Laotian crowd through his loudspeaker that "Thailand and Laos have been brothers since the old days and the Mekong River cannot hinder our close relation."

In order to assure the Thai visitors that Buddhism still remains

in Laos despite its communist government, the Laotian authorities led the Thai visiting group to observe Wat Sripourm, a Laotian temple, where the Thai governor conferred with a Laotian abbot.

At one point in the discussion, the Laotian abbot told Tanom that though the two countries are divided by the Mekong River, Thailand and Laos share the same religion.

At the end of the day-long boat races, which resulted in a Thai victory from all three international races, the Thai visitors were brought to "Santaphab" (Peace) Hotel where a welcome party was held.

Laotian waitresses, dressed in traditional clothes, served more than 200 Thai and Laotian party-goers with local food, which they washed down with local whisky, called "Nap Noi," and Czechoslovakian beer.

Both governors exchanged toasts while the participants from the two neighbouring countries shouted the Laotian words of "Man Yuen" to signify "everlasting" relations across the Mekong River.

The Laotian Than Kidaeng, addressing the party-goers, said he hoped that people of both nations could exchange visits across the border more frequently.

The deputy governor also urged the Thai Government to hold talks with Vientiane soon to pave a way to peaceful co-existence among countries in the Southeast Asia.

He said relations between Mukdaharn and Savannakhet provinces have been very much improved. He added that from now onward, the Laotian officials would participate in any Thai traditional events upon receiving invitations.

Than Kidaeng said he also hoped that the two countries would boost trade across the border. So far three border points — two in Mukdaharn and another one in Nong Khai Province — are open for trading across the Mekong River. However, some goods, defined as "strategic" by Thailand are prohibited from being sold to Laos.

The Thai governor of Mukdaharn disclosed on his way back to Thailand that he plans to invite the Laotians to participate in the New Year celebration on the Thai side.

The celebration, he said, will include football, badminton and tennis tournaments between the two countries' local officials. According to Tanom, the Laotians will also be invited to participate in Songkran Festival in April.

Similar boat races also took place last week in Nong Khai opposite the Laotian capital of Vientiane, and another one will be organized by Thai officials in northern province of Chiang Rai in April.

The Thai governors along the border have been authorized to contact governors of the neighbouring Laotian provinces to arrange goodwill sporting events or low-level contacts in order to promote the relations, which have been sour since 1979.

/9317

CSO: 4200/86



LAOS

## PARTICIPANTS, ATMOSPHERICS IN BOAT RACES WITH THAIS NOTED

Bangkok THE NATION in English 17 Oct 86 p 5

[Text]

**MUKDAHARN** — Several thousand spectators gathered along the shore of the Mekong River here this week to watch the resumption of annual races between traditional Laotian and Thai boats.

The races — held only once before in recent times in 1979 — heralded improved relations between the two countries on the local level, officials from both shores said.

"The Mekong River is the river of peace," an announcer told the crowd from a reviewing stand erected on the dirt bank below the harbour wall of the Mukdaharn provincial seat in northeastern Thailand.

As he spoke Wednesday, colourfully costumed rowers manoeuvred their wooden vessels — many longer than 40 metres — to rhythms of chants and drumbeats. Thai flags waved above riverfront roads, and Laotian flags fluttered from a battered yellow motorboat that had escorted three traditional craft across the muddy river.

Tanom Channuwong, Mukdaharn governor, told *The Nation* that 40 Thai boats would participate in the event, which was scheduled to finish today.

Laos sent 120 rowers in three boats, along with a delegation of 30 officials led by Thao Kidaeng, governor of Suvannakhet, the southwestern Laotian province opposite Mukdaharn.

Helicopters airlifted the traditional craft about 200 kilometres from Pakse in southern Laos to the town of Kantabouri, where they embarked on the Mekong.

Laotian officials, seeking to encourage trade, have sought improved relations with Thailand at high government levels. Pending such developments, however, Thai officials have preferred to concentrate initially on bettering local relations with Laos.

Local officials from both countries met aboard a ferry during luncheon conversation Wednesday that was lubricated by the Thai Sang Som whiskey. Classical Laotian dancers provided entertainment.

Interviewed afterward, officials said no specific agreements were pursued or reached during the session. But Mukdaharn planned to accept an invitation to send boatmen to Laotian races Oct 19.

The captain of one of the Laotian vessels, Baowan Pongsombat, said he brought his crew of 38 across the river this week on a mission of friendship.

"To win or lose doesn't matter," said Baowan, 42, a farmer who said that he has many relatives living in Thailand.

Baowan, who also participated in the 1979 races, sported his team uniform: blue shorts and a T-shirt bearing the insignia "Worldsport."

Baowan glanced toward the river as waves from the wake of a Thailand Mekong Operations Unit patrol vessel rocked his boat, pouring over gunwales. Unruffled, the crew grabbed woven-straw balers and emptied their craft.

Between 200 and 300 Laotian villagers crossed the river in boats

and by ferry to watch the opening event, which included a fair and impromptu parades. The Thai announcer told the crowd that Laos is expected to send boats each year from now onward.

More races were expected to begin Saturday at Nong Khai, across from Vientiane.

### ADDITIONAL RACES

In April, additional races are scheduled on the Mekong River in the Golden Triangle area, near Chiang Rai. Burmese rowers are expected there as well.

Pathet Lao closed the Laotian border to official trade following the communist takeover, as did Thailand. Since then, however, the

border has been opened for limited trade at two points in Mukdaharn Province and one in Nong Khai.

But a variety of ties have persisted between the two nations, which share a common heritage.

One spectator, Samlee Caiat, said she had relatives on the Laotian side of the border.

"I come to watch the boat races every year," said Samlee, 21, who works in Bangkok, but considers Mukdaharn her home.

She held up her 7-month-old daughter for a better view from beneath the black umbrella that shaded the family.

"But this year is special, because the Laotians have sent boats," Samlee said.

/9317

CSO: 4200/86

LAOS

## REPATRIATED REFUGEES, REASONS FOR FLIGHT NOTED

Bangkok BANGKOK POST in English 23 Sep 86 p 6

[Article by Michael Adler]

[Text]

Vientiane (AFP) — Thongchanh Sombatniyom fled Laos when he was 54, using plastic bottles to buoy himself and his 21-year-old bride on a clandestine swim across the Mekong River.

But on a recent morning he was back home in his shop in Vientiane, taking orders for the herbal remedies he makes as a traditional doctor.

Laos, which has lost almost a tenth of its population since the communists came to power in 1975, is desperate for trained people like Mr Thongchanh, who returned four years ago.

Into his three-walled wooden shack, its shelves lined with jars full of herbs and wood shavings, comes a woman in a sarong seeking a remedy for a colicky baby. Two teenage boys wait quietly in the busy office-cum-store for a tea brew for their feverish mother.

Mr Thongchanh, his ramrod posture and robust manner belying the fact that he is now 59, distributes his nostrums while mixing pollen and honey at a table and gossiping with his fellow citizens.

Of the 300,000 Laotians — out of a population of 3.5 million — who fled the Pathet Lao, only 15,000 have returned, said Laotian officials in estimates confirmed by Western sources.

The shortage of professionals, even in traditional crafts, cripples the economy of Laos, one of the poorest nations in the world.

There is also a shortage of modern drugs since Laos does not have enough foreign currency to buy what it needs. Mr Thongchanh's

ability to make herbal cures for ailments as diverse as colds and tetanus infections is highly valued.

He came back in January 1982, seven months after leaving, encouraged by safeguards of material support and freedom from prosecution provided through the United Nations High Commissioner for Refugees (UNHCR).

A UNHCR official here said 2,921 people have returned from neighbouring Thailand in what is the only voluntary repatriation programme in communist Indochina.

The number is a trickle compared with the 90,000-plus Laotians in holding camps in Thailand clinging to the hope of resettlement away from what they see as political and economic hardship in their native land.

But the stories of those who have turned back show the emotional pulls and financial disappointments which can drive Laotians home.

Mr Thongchanh was escaping the wrath of the Pathet Lao when he fled.

He had left his fourth wife to live with his young female assistant in a manner he said was the Lao way before the Pathet Lao came to power. A man would live with a woman a certain time, and then change households, and often provinces, on his way to a new life.

But the father of 15 feared arrest and imprisonment by the new regime.

"After the liberation they taught men to be good fathers. If someone

had committed a mistake, like adultery, it was considered a social crime, which was also seen as a political crime," he said.

He returned when Vientiane softened its doctrinaire attitudes, shocked by the economic crisis created by the drain of talent from the country.

A woman who would identify herself only as Khambang, 30, is another sort of returnee, coming back as clandestinely as she had left. Four times the number of those who use the UNHCR programme sneak back in this so-called "spontaneous" fashion, Laotian and Western sources said.

Miss Khambang said she left for Thailand in September 1984 in a longboat with seven of her friends.

Like many Laotians she has relatives on both sides of the river. Her aunt helped her put together a small grocery stall in Thailand similar to one she had in Laos.

But she found it harder to sell due to an abundance of both goods and competition in Thailand.

She also missed her mother.

On a warm night in July, 1985, she set out alone to swim home across the Mekong River. She was frightened in the dark water and when tired drifted with the current.

She spent two hours in the swiftly flowing river before reaching land near Vientiane at Nong Thewada, her point of departure the previous September.

She is happy to be home. "There are more ways to amuse yourself in Thailand but life is better in Laos," she said.

/9317

CSO: 4200/86

LAOS

BRIEFS

UN-AIDED URBAN COMMISSION--Vientiane, October 8 (KPL)--The Ministry of Construction has set up, on the occasion of World Urbanization Day (Oct 6), a coordination commission for urban development. It plans to reconstruct the war-ravaged living quarters in Xiengkhouang, Houaphane, Saravane, Attapeu, Vientiane, and other parts of the country. In the post-war period, many localities have received help from fraternal socialist and friendly countries for reconstruction. This year, the UNDP has helped the Lao PDR to train urbanists, collect data for urban development and produce building materials such as cement, bricks and tiles. [Text] [Vientiane KPL NEWS BULLETIN in English 8 Oct 86 p 3] /9317

VIENTIANE FOREST PRODUCTS SALE--Vientiane, October 3 (KPL)--Muong Feuang shop and the trade service of Vientiane province bought over 152 million kip worth of forestry products from local people in the first 8 months of this year. These consisted of 11 tons of resin, 12 tons of cardamom, 35 tons of sticklac and a large number of rattan and other products. In return, they sold cloths, production equipment and household utensils to the local people. [Text] [Vientiane KPL NEWS BULLETIN in English 3 Oct 86 p 2] /9317

FORESTRY SCHOOL UPGRADED--Vientiane, September 26 (KPL)--"The Dongdok forestry school is to upgrade its professional training to university level in this school year," Inkeo Indathep, an official of the school reported. Since its founding in 1980, he said, the school has only trained middle-level forestry rangers through two-year courses. It has so far graduated more than 800 forestry rangers, including those of the 1985-86 school year which was the last year for middle-level training. He pointed out that the Dongdok forestry school has received assistance from the GDR. Two GDR experts are working there as lecturers and researchers. I. Indathep said that the decision to upgrade the school has been taken in accordance with the State's policy on forestry. The school teaches botany, chemistry, physics, mathematics, forestry economy, as well as measures for forestry preservation, exploration and afforestation. Graduated forestry rangers have been assigned to work in various localities throughout the country. [Text] [Vientiane KPL NEWS BULLETIN in English 26 Sep 86 p 4] /9317

KAYSONE SEES THAI AMBASSADOR--Vientiane, September 20 (KPL)--During his meeting with Thai ambassador Saya Chitdavong here yesterday, Chairman Kayson Phomvihane reaffirmed the constant stand of the Lao PDR for normalizing and ameliorating the relations between Laos and Thailand in accordance with the just aspiration of the two peoples and also in the interests of regional peace and security. The Thai ambassador called on K. Phomvihane to hand over to him a message of thanks from Thai Prime Minister Prem Tinsulanonda. Earlier, the Lao leader had sent his greetings to P. Tinsulanonda on his reelection as Prime Minister of Thailand. "I agree with Your Excellency that it is time for our two governments to restore our neighbourly ties in all fields," said the message. "On my part, I would manage to develop the long-standing and close Lao-Thai relations in the interests of our two peoples," it concluded. [Text] [Vientiane KPL NEWS BULLETIN in English 20 Sep 86 p 3] /9317

BORDER TREATY DOCUMENTS WITH SRV--Vientiane, September 20 (KPL)--A ceremony was held in Hanoi on Sept 19 to exchange documents ratifying the border treaty annex on the demarcation of the Laos-Vietnam frontier signed on July 18, 1977 and the protocol on the actual border demarcation and the creation of border posts along the common border signed on Jan 24, 1986. The Lao side was represented at the ceremony by Ambassador Khamphueane Tounalom, and the Vietnamese side by Deputy Foreign Minister Hoang Bich Son. [Text] [Vientiane KPL NEWS BULLETIN in English 20 Sep 86 pp 1, 2] /9317

XIENG KHOUANG ARMY RECRUITMENT--Vientiane, September 18 (KPL)--Nearly 100 young men in Kham district, the northern province of Xiengkhouang, have volunteered to join the army since August. Earlier, more than 100 young men in Thai village, Soui district, same province, had joined the army. They all have been assigned to various army units for service. [Text] [Vientiane KPL NEWS BULLETIN in English 18 Sep 86 p 2] /9317

CRIMINAL DEPORTED TO THAILAND--Newsmen report that on 4 September at 1030 hours, on the bank of the Nam Leuang River on Thai-Lao border at Pak Man Subdistrict, Dan Sai District, Loei Province, a Thai criminal arrested by the Lao was handed over. He had been charged by the Lao with illegal entry into Laos. Present for the Lao side was Boten District, Sayaboury Province Chief Prosecutor Champa Saignalat. Present for the Thai side was Mr Phumin Wanaphut, the district officer for Non Thai District, Phitsanulok Province. The criminal handed over by the Lao is Mr Banchoet Yakunkeo, age 28, residing at House #19, Village No 4, Noen Phoem Subdistrict, Non Thai District, Phitsanulok Province. He faces charges in Thailand of robbery and premeditated murder. After being charged, he had fled to Laos where he was arrested by Lao authorities on charges of illegal entry. After the hand over was completed, the officers receiving Banchoed, turned him over to Non Thai District police personnel in Phitsanulok Province to press charges. [Excerpt] [Bangkok DAO SIAM in Thai 5 Sep 86 pp 1, 16] /12624

CSO: 4207/36



MALAYSIA

YATIM-HOWE JAKARTA TALKS REPORTED

BK210553 Kuala Lumpur BERNAMA in English 0537 GMT 21 Oct 86

[Text] Jakarta, 21 Oct (OANA-BERNAMA)--Britain has agreed to review its investment in Malaysia with a view to increasing the present stake of 690 million ringgit (about U.S. \$265.38 million) to a more realistic level.

Its foreign secretary, Sir Geoffrey Howe disclosed this to Malaysian Foreign Minister Rais Yatim when they met for talks here Monday.

Both men are here to attend the sixth ASEAN-EC ministerial meeting.

Rais said Tuesday he had suggested that British furniture manufacturers set up operations in Malaysia, utilizing local tropical timber, to serve the export markets.

Another possibility was the production of rubber-based goods.

He said the British side would study the suggestions along with other possibilities that could help increase British investment in Malaysia.

Sir Geoffrey had also given the undertaking that Britain would take the necessary steps to reduce its trade surplus with Malaysia, which now stood at about 200 million ringgit (U.S. \$76.92 million).

Rais said their discussions centred on commodities, investment, trade and technical cooperation. He informed the British foreign secretary that Malaysia wished to draw upon Britain's experience, particularly in the higher technology and capital intensive sectors of manufacturing.

On Malaysia's trade problems with Britain, Rais said these were more in the context of the EC common commercial policy as Britain's import policies were regulated by it.

ASEAN is taking up the matter with the EC during the current ASEAN-EC ministerial meeting.

Rais is expected to meet his Spanish counterpart for similar bilateral discussions Tuesday.

/9599

CSO: 4200/71



MALAYSIA

REPORTERS DENIED 'EMINENT LAWYER' REPRESENTATION

BK171639 Kuala Lumpur BERNAMA in English 1334 GMT 27 Oct 86

[Text] Kuala Lumpur, 27 Oct (BERNAMA)--The High Court here Monday rejected an application to admit a lawyer from London to represent two ASIAN WALL STREET JOURNAL correspondents, John Berthelsen and Raphael Roy Pura, in pending court actions.

Justice Harun Hashim ruled that local lawyers could handle the matters relating to the quashing of the government's decision to revoke the work permit of the two correspondents and expelling them from the country.

He said the court dealt with such matters (applications to quash any orders made) almost every week, adding that they were not "foreign to the bar."

Noting that the law involved in the matters concerning the two correspondents related to the Immigration Act and the immigration regulations, he said these were common cases and did not need the service of a special eminent counsel.

The two correspondents, who had already left Malaysia, wanted Geoffrey Robertson to be admitted to the bar here so that he could represent them in the court actions.

Counsel Muhammad Shafee Abdullah argued that Robertson was an eminent lawyer and specialised in media law pertaining to the duty of the press in disclosing inequities or public interest issues.

He said Robertson had the special qualification and experience of a nature which was not available among the lawyers here.

Robertson is counsel for the journal's publisher, Dow Jones.

Berthelsen wanted Robertson to represent him in his Supreme Court appeal on 3 November against the High Court decision refusing him leave to apply for an order to quash the decision to revoke his work permit and expelling him from the country.

Pura wanted the counsel to represent him in an application on the same day to quash the cancellation of his work permit and expelling him from the country.

Harun said Muhammad Shafee and Ariff Yusof who had represented the two before were "very, very eminent counsel" and could continue to argue the matters.

On Muhammad Shafee's submission that Robertson was needed to argue in an action relating to the suspension of the journal which he would be filing on Wednesday, Harun said this action was not yet before the court and that if it was filed then counsel could come again to the court to make an application to admit Robertson to the bar.

Senior Federal Counsel T. Selventhiranathan objected to the application, submitting that the matters pending before the court were strictly constitutional administrative law.

The actions before the court, he said, did not touch on matters of freedom of press and the right of the mass media as stated in Muhammad Shafee's affidavit supporting the application, adding that the issues stated were not directly concerned with the application for the order to quash the decisions cancelling the work permits of the two correspondents.

The senior federal counsel said there were competent advocates and solicitors here who were capable of handling the court actions and that besides Robertson having special qualification and experience, it must be shown that such lawyers were not available here.

The Bar Council and Bar Committee of Selangor and the Federal Territory, represented by V. Krishnan, did not object to the application, saying that these "are classic cases" and that Robertson was a very eminent and experienced lawyer.

"There is no lawyer available in this country with that sort of experience," he added.

/9599

CSO: 4200/71

MALAYSIA

'OFFICIAL SECRETS ACT 1986' PASSES FIRST READING

BK271505 Kuala Lumpur BERNAMA in English 1435 GMT 27 Oct 86

[Text] Kuala Lumpur, 27 Oct (OANA-BERNAMA)--The Official Secrets Act (Amendment) Bill 1986 tabled for first reading in the Dewan Rakyat (Lower House) Monday seeks to provide for mandatory imprisonment, ranging from 1 to 14 years, for offenders convicted under the act.

The provision replaces the various fines provided under the different sections of the Official Secrets Act 1972.

The bill also lists the various documents that can be considered as official secrets.

Ministers of chief officers in charge of administrative matters of any state and officers responsible to any ministry, department, or public service are empowered to classify any correspondence stated in the schedule as an official secret.

Under Section 4 of the bill, a jail term of not less than 1 year but not more than 14 years is provided to replace the provision for a jail term of not more than 14 years or a fine not exceeding 20,000 ringgit (about U.S. \$7,692) or both in the act at present.

Section 7 of the act provides for a jail term not exceeding 5 years or a fine of not more than 20,000 [currency not specified] or both. The amendment proposes a jail term of not less than 1 year but not more than 5 years.

Under Sections 8, 9, and 13 of the act currently, the provision of a jail term not exceeding 7 years or a fine not exceeding 10,000 ringgit (about U.S. \$3,846) or both is proposed replaced by a jail term of not less than 1 year but not exceeding 7 years.

Under Sections 11 and 13, the amendment seeks to provide a jail term of not less than 1 year but not more than 7 years to replace the existing provision of a jail term not exceeding 3 years or a fine not exceeding 5,000 ringgit (about U.S. \$1,923).

The term "official secret" is entered into the main act to mean any correspondence stated in the schedule of the bill and any information or material related to it.

These include any official correspondence, information, and other materials classifiable by any member of the administration or a public officer as "Top Secret," "Secret," "Confidential," or "Restricted," whichever is applicable.

The schedule is as follows:

"Correspondence, record of decisions and minutes of deliberations of the Cabinet and those of Cabinet committees.

"Correspondence, records of decisions and minutes of deliberations of State Executive Councils and those of their committees.

"Correspondence in connection with relations between the federal and state governments.

"Correspondence in connection with national security, defence, and international relations.

"Correspondence in the form of or in connection with views, advice, or proposals on the enforcement and functions of the government and civil service.

"Correspondence in connection with the national economy that is related to the currency, budget proposals, and foreign investment.

"Correspondence in connection with tenders relating to any form of official purchase, request for work, supply, service and projects [no closing quotation marks as received].

The amendment also proposes that "The minister can, from time to time, add, delete, or amend any provision in the schedule stating the types of correspondence that come within the definition of "Official Secrets" [quotation marks as received].

"A minister or the relevant officer can, at any time, reclassify any correspondence listed in the schedule or any official correspondence, information, or material classified earlier as Secret."

After such reclassification, the correspondence, information, or material ceases to be an official secret.

The amendment also provides that the recommendation of the relevant persons on any official correspondence, information, or material as an official secret should be a conclusive explanation by itself and cannot be questioned in any court or on any ground.

The bill was tabled by Minister in the Prime Minister's Department Abdul Ajib Ahmad.

Speaking to reporters outside the chamber later, Ajib said the bill would be debated in line with the normal process when the current Dewan Rakyat sitting neared its end in December.

He said whether the bill would be referred to a select committee depended on the wishes and decision of the members of the House when it came up for debate.

The bill will be read for the second time, debated and read for the third time before being approved.

In the last Parliament, MP's [Members of Parliament] had agreed to refer a bill pertaining to drug abuse to the select committee to get the views and opinions of the public in the country before being tabled in the Dewan again for debate and approval.

/9599

CSO: 4200/71

MALAYSIA

GOVERNMENT PLANS TO THWART 'ZIONIST THREAT'

Kuala Lumpur NEW STRAITS TIMES in English 11 Oct 86 p 1

[Text] Kuala Lumpur, Fri--The Government will use all the laws, including the Internal Security Act, to thwart the Zionist threat to the country's economy and image, Datuk Seri Dr Mahathir Mohamad said today.

He said the Government was aware that Zionists were making use of certain individuals and groups to attain their evil objectives.

"We view their action seriously and will continue to take all possible actions to stop them from trying to undermine the security of the country and the economy," he added.

He was replying to Dr Chen Man Hin (DAP-Seremban) who wanted to know the basis of his (Dr Mahathir's) charges that there was a Zionist conspiracy to undermine the integrity of Government leaders by alleging that two family companies of the Finance Minister had taken over the United Malayan Banking Corporation in 1985.

Dr Chen also asked whether the Prime Minister would allow the formation of a commission of inquiry to investigate the UMBC scandal so that a true picture could be presented to the people.

Dr Mahathir called on those who pledged loyalty to the country to be alert to the Zionist threat so that they would not be used by people who wanted to ruin the country.

Struggle

"I am not going to expose the names of individuals, organisations or countries involved because this is the Government's secret.

"This (keeping their identities secret) is important so as not to complicate the Government's plan to ensure that the threat does not become more serious and widespread," he said.

The Prime Minister said the Zionists were very subtle in their bid to interfere with the affairs of any country, organisation or individual which supported the Palestinian and Arab struggle in West Asia.



"Accusations and threats, as well as secret actions known as 'dirty tricks' by their secret agents, are used against their victims," he said.

The Zionists frequently use open channels such as newspapers and legal organisations as fronts to further their evil campaign and objectives.

Dr Mahathir said they would make unsubstantiated allegations and play up issues affecting the different countries.

He said publications and secret reports on the Zionists' dirty tactics and secret groups had been compiled by those who had once been their victims.

Since Malaysia strengthened its opposition to the cruelty of the Zionists against the Arabs and the Palestinians, it had become the target of a Zionist campaign to threaten the country's economy and political stability.

"Allegations of corruption in the Government are meant to shake potential investors' confidence in the country," he said.

On the purchase of the UMBC shares, Dr Mahathir said a Royal Commission to investigate the matter was not necessary as there was no conflict of interest in the UMBC business dealing.

He refused to comment further on the matter as the Finance Minister, Encik Daim Zainuddin, had already given his reply two days ago.

/9317

CSO: 4200/89

MALAYSIA

INDONESIAN POLICE CHIEF ON ILLEGAL IMMIGRANTS

BK221338 Kuala Lumpur Domestic Service in English 1130 GMT 22 Oct 86

[Text] Indonesia will step up checks to prevent people from illegally entering Malaysia. Visiting Indonesian Police Chief Lieutenant General Dr Mohamed Sanusi gave this assurance today. He said this was part of efforts by the republic to assist Malaysia in overcoming the Indonesian illegal immigrant problem. Gen Dr Mohamed said an Indonesian police officer is now stationed at the police headquarters in Bukit Aman to give data on illegal immigrants. The officer will also make a record of the involvement of illegal immigrants in crimes. He was speaking to reporters after being briefed on the Royal Malaysian Police at Bukit Aman.

Gen Dr Mohamed said he would submit a report on the illegal immigrant problem to the higher authorities in Indonesia. He denied claims that most of the Indonesian illegal immigrants were former criminals and ex-convicts. He said they actually came to Malaysia to seek a living, particularly as construction laborers.

Earlier, Gen Dr Mohamed held discussions with, among others, Deputy Home Minister Datuk Sri Megat Junid Megat Ayub and Inspector General of Police Tan Sri Haniff Omar. He said they agreed that Indonesia and Malaysia should step up police cooperation, especially in training and joint action in overcoming the problem of intrusion by fishermen in the Straits of Malacca.

/9599

CSO: 4200/71

MALAYSIA

THAI MAN SENTENCED TO DEATH FOR FIREARMS POSSESSION

BK271345 Kuala Lumpur BERNAMA in English 1325 GMT 27 Oct 86

[Text] Kuala Lumpur, 27 Oct (BERNAMA)--The high court here Monday sentenced a Thai salesman to death for possession of firearms under the Internal Security Act.

Krisana Boontus, 32, a former law student from Ramkhanghaeng University in Bangkok, was found guilty of possessing a .38 special Smith and Wesson revolver and 10 rounds of .38 ammunition in Jalan Raja Laut at about 5:15 pm on 11 September 1984.

In finding Krisana guilty of the offence under Section 57 of the ISA, Justice N.H. Chan said the defence had failed to cast reasonable doubt on the prosecution's case.

The judge said the only penalty Parliament had decreed for such an offence was death and that the court agreed with the legislature for the ISA.

"If people come into this country with the intention to commit extortion or engage in other crimes involving firearms, then the court has no alternative but to punish them vigorously according to punishment decreed by the law," he said.

He said the courts had no sympathy for foreigners who came to this land bearing guns, adding that the courts were determined to do all they could to keep men of violence away and off the streets.

In mitigation, Defence Counsel Phang Ah Hee said Krisana was a total stranger in Malaysia and that he had been misled by his friends.

He said Krisana met his accomplices in Thailand and was invited to come to Malaysia.

Deputy Public Prosecutor Zaini Abdul Rahman said Krisana might be a first offender but being a well-educated person he must know the consequences of his act.

/9599

CSO: 4200/71

MALAYSIA

MIC APPROVES NEW ECONOMIC POLICY

Kuala Lumpur NEW STRAITS TIMES in English 13 Oct 86 p 1

[Article by M. Krishnamoorthy]

[Text]

**SHAH ALAM, Sun. — The 34th MIC general assembly today unanimously approved a resolution expressing support for the New Economic Policy (NEP), saying it would lead to equitable sharing of national wealth among Malaysians, irrespective of racial origin.**

MIC president Datuk S. Samy Vellu, while expressing support for the NEP, urged the Government to explore new avenues and review decisions and implementation strategies to strengthen the process of achieving the goals of the NEP.

Reiterating the MIC's support for the NEP's objectives and strategies, he said it was hoped that these objectives and strategies would lead to greater national unity.

He said he was confident that a more progressive and equitable Malaysian society could be realised by 1990 despite difficulties now in sustaining the growth of the Malaysian economy.

Datuk Samy Vellu urged the delegates to adopt a level-headed approach and not to unnecessarily hurt anyone in questioning the benefits of the NEP.

"The approach to the NEP should be without hurting anybody. After all, Malaysians in general have benefited from the NEP, including Indians.

"Questioning the NEP emotionally will

not help any party."

The resolution on the NEP added: "The confidence in and support for the NEP are not undermined by ill-considered and insensitive implementation of policies, programmes and projects."

As a member of the Cabinet, Datuk Samy Vellu said, he had heard many parties stating that they had not benefited from the NEP.

"I think this is a bit exaggerated. I have decided to guide the MIC on how we should go about rectifying instances of the community not benefiting. For this purpose, I will consult experts in each field where we have not gained.

"Overall, some delegates have provided statistics indicating that the Indian community has benefited."

Twelve other resolutions were also unanimously adopted.

One applauded the Barisan Nasional's resounding victory in the general election.

A resolution on dadah abuse supported mandatory capital punishment for those convicted of dadah trafficking. It called on all political parties, including the Opposition parties, to support the Government's action against dadah abuse.

On religious tolerance, a resolution urged the Government to prevent the use of religion by political parties and people who subvert the Constitution.

The other resolutions dealt with the MIC's representation in the Government, opportunities for Malaysian Indians in the banking, finance and insurance sectors, pupils' own language in schools, housing, illegal immigrants, citizenship, university admission, vocational and technical education, and living conditions in estates.

The assembly also adopted 13 amendments to the party constitution to further streamline the party machinery.

/9317

CSO: 4200/89

MALAYSIA

NEW BUDGET EXPORT MEASURES ANNOUNCED

BK241442 Kuala Lumpur BERNAMA in English 1125 GMT 24 Oct 86

[Text] Kuala Lumpur, 24 Oct (OANA-BERNAMA)--The government has come up with additional export incentives to improve the country's current account.

In his 1987 budget speech in the Dewan Rakyat (House of Representatives) Friday, Finance Minister Daim Zainuddin said the main strategy to improve the current account was to increase exports.

To promote the export of primary commodities, the marginal export duty on crude palm oil would be reduced by 20 percent so that the maximum marginal rate would now be only 30 percent.

In addition, both the pre- and post-shipment facilities of the export refinancing scheme would be extended to rubber, crude palm oil and palm kernel oil exports.

The period of refinancing would also be extended from 90 days to 180 days, he said.

He said that to encourage greater private sector investment in manufacturing activities, especially in export oriented industries, the promotion of investments act 1986 would be amended.

Further details of the amendments to the act would be announced by the trade and industry minister.

The government would also exempt import duty for manufacturers who produce component parts or inputs used by direct exporters.

Existing tariff protection would also be reviewed by the government to make the tariff structure more uniform and to reduce excessive protection.

However, the government would continue to assist industries that were efficient and had the potential for export growth, he added.

/9599

CSO: 4200/71

MALAYSIA

DEFENSE MINISTRY EXPECTS BUDGET SLASH

Kuala Lumpur NEW STRAITS TIMES in English 13 Oct 86 p 6

[Article by Sabry Sharif]

[Text]

**KUALA LUMPUR, Sun.** — The Defence Ministry expects its budget for next year to be severely slashed.

"The prospect of the Ministry getting more than this year's \$1.18 billion in operating expenditure and \$400 million in development funds is not promising," Deputy Defence Minister Datuk Abang Abu Bakar Mustapha said today.

"In fact, Government agencies are talking of slashing up to 40 per cent of our development and operating expenditures for 1987.

## Fighters

"In previous years, the cut has been mainly in development expenditure, that is, purchase of weapons and construction of infrastructure for the Armed Forces. But for next year, it appears the Government is also trimming our operating expenditure," he said.

Finance Minister Daim Zainuddin is scheduled to unveil the Budget on Oct 24.

One of the likely targets of these cost-cutting

measures is in the training of soldiers. Training exercises, locally and with neighbouring countries, are expected to be reduced but not to the extent that it would affect the efficiency of the Armed Forces.

The Armed Forces has been taking cost-trimming measures since 1982 to help the Government tide over the bad times and Datuk Abang Abu Bakar said it should be able to cope even if the cut in the defence budget came to 40 per cent.

He said the Defence Ministry was fully aware that Malaysia's neighbours were maintaining their defence budgets despite their economic problems.

However, he added, the Prime Minister had made it clear that social and economic development came first.

He was referring to recent decisions by Singapore, Thailand and Indonesia to proceed with the purchase of new weapons.

Singapore, Indonesia and Thailand, whose air forces have several aircraft similar to those in the inventory of the

Royal Malaysian Air Force, are already taking steps to replace their F-5 fighters with that of the United States' frontline fighter, the F-16, at a cost of more than \$500 million for each country.

Singapore has gone a step further by allocating funds to purchase the Grumman E-2C Hawkeye airborne warning and command aircraft, estimated to cost the republic almost \$1 billion.

## Housing

The Deputy Defence Minister did not deny that there would be some negative implications on the balance of power in the region. "But," he said, "the Prime Minister has said that we are not in an arms race. We will modernise our Armed Forces according to affordability and pace."

He felt there would not be any major weapons purchase or development of major infrastructure for next year. However, a likely exception would be the Army's purchase of 155-mm medium-range artillery guns.

He added that even the Army's Gemas Combat

Training Centre (GCTC), which was allocated \$330 million under the Fifth Malaysia Plan (FMP), might get only a small fraction of the sum for next year.

"This year, the Government gave just \$10 million for the GCTC," he said. "That was based on this year's economic performance, which is better than that forecast for next year. I think it is unlikely they will get a lot more next year."

The bulk of the defence budget is likely to go to housing for Armed Forces personnel as the allocation would benefit the local construction industry.

However, the amount is again uncertain. This year, despite the emphasis on housing, all that the Treasury could afford for the Armed Forces was about \$50 million.

Datuk Abang Abu Bakar said the Armed Forces would have to hope that the economy performed better in 1988 so that it could ask for more money during the mid-term review of the FMP.

/9317

CSO: 4200/89



**MALAYSIA**

**RMAF F5F CRASH REPORTED**

BK211152 Kuala Lumpur BERNAMA in English 1132 GMT 21 Oct 86

[Excerpts] Kuala Lumpur, 21 Oct (OANA-BERNAMA)--A Royal Malaysian Air Force (RMAF) F5F jetfighter crashed east of Kertih, in the northeastern Terengganu State, Tuesday killing a pilot.

A spokesman of the Defence Ministry said the aircraft was on a training flight when it encountered difficulties and crashed into the sea at about 11:30 am (0330 GMT).

The two pilots on board bailed out but one of them was killed, he said. The other pilot who suffered minor injuries was rescued.

A board of inquiry is being formed to investigate the incident.

The F5F jetfighter which crashed Tuesday was one of four used by the RMAF 12th Squadron based in Butterworth, Penang.

They arrived at the base with an F5E jetfighter in 1981 as replacement for an aircraft that crashed in 1978 and the F5B jetfighters used for training RMAF pilots.

With the purchase of these aircraft, the RMAF has entered the supersonic age in keeping with scientific and technological development.

The move to strengthen and further improve the country's air defence system actually started in 1972 with the signing of a multi-million dollar agreement with Northrop Aircraft Corp. in Los Angeles for the purchase of 14 supersonic F5E jetfighters and 2 F5B jetfighters.

The aircraft arrived at the RMAF base in Butterworth in April 1975 and a month later the 12th Squadron was formed and launched by then Prime Minister Tun Abdul Razak.

The squadron took over the duties of the 11th Squadron in guarding the sovereignty of the nation's airspace. It is to intercept enemy aircraft that violate Malaysia's airspace either at high or low altitude, day or night, and destroy them if they pose a threat.

These sophisticated aircraft are more superior [as received] to the old Sabre jetfighters and Malaysia is one of the first countries in this archipelago to use the F5 series.

The F5F, the last of the F5 series to be taken delivery of by the squadron, is of the two-seater type.

It is believed that the crash, which took a life, is the first involving an F5F aircraft.

/9599

CSO: 4200/71

MALAYSIA

BRIEFS

**INDONESIAN ILLEGAL IMMIGRANTS**--The deputy minister of home affairs has told newsmen in Teluk Intan that the Immigration Department has been directed to deport 31 Indonesian illegal immigrants detained in a massive operation in the northern state of Perak. [Summary] [Kuala Lumpur International Service in English 0800 GMT 12 Oct 86 BK] /9599

**NAVY'S COOPERATION AGAINST INTRUSION**--Royal Malaysian Navy's Rear Admiral Datuk Haron Datuk Mohamed Salleh said after attending a passing out ceremony of Navy recruits at Woodlands Naval Base on Saturday [11 October] that the Royal Malaysian Navy would upgrade its cooperation with the three maritime enforcement agencies in the country to help check against foreign fishermen's intrusion into Malaysian territorial waters. Datuk Haron said the intrusions are rampant, especially between the monsoon months of October and March. The three maritime agencies involved are the Royal Malaysian Air Force, the Marine Police, and the Fisheries Department, which are under the Coordinating and Maritime Enforcement Center based in Lumut, Perak. [Summary] [Kuala Lumpur BERITA HARIAN in Malay 12 Oct 86 p 2 BK] /9599

**TRADE OFFICE IN TAIWAN**--Kuala Lumpur, 16 Oct (BERNAMA)--Malaysia will open its first trade office in Taiwan soon, Foreign Minister Rais Yatim said today. He told reporters at the Parliament House here today that the mission will be headed by the ministry's Trade Attache Hanafiah Roslan. Malaysia recognizes the People's Republic of China's Government in Beijing and has no diplomatic relations with Taiwan. [Excerpt] [Kuala Lumpur BERNAMA in English 1339 GMT 16 Oct 86 BK] /9599

**JOINT EXERCISE IN JOHORE**--A company of Australian soldiers have joined New Zealand and Malaysian soldiers for a military exercise in Malaysia. The Australian soldiers, from the 6th Battalion stationed at Butterworth in Malaysia, are taking part in exercise, "(Pambooroo Rusa)," in the Johore area until 31 October. [Text] [Melbourne Overseas Service in English 0430 GMT 24 Oct 86] /9599

**FOOD IMPORT MEASURES**--Kuala Lumpur, 24 Oct (OANA-BERNAMA)--Measures should be taken to reduce food imports which cost the country 3.1 billion ringgit (about U.S. \$1.192 billion) last year, Finance Minister Daim Zainuddin said in his 1987 budget speech in Parliament Friday. Among the major items imported were maize, meat, vegetables, fish, and fruits. Most of these can be produced

locally within a short span of time, he said. The opportunity to reduce food imports was bright and the matter should be given serious consideration. State governments should be prepared to alienate land at low premium to interested entrepreneurs for this purpose, Daim said. [Text] [Kuala Lumpur BERNAMA in English 1128 GMT 24 Oct 86] /9599

CSO: 4200/71

PHILIPPINES

JUSTICE MINISTER 'SCOFFS' AT TALK OF COALITION SPLIT

Manila THE MANILA TIMES in English 20 Oct 86 p 2

[Text]

JUSTICE Minister Nep-tali Gonzales has scoffed at published reports that the coalition parties United Nationalist and Democratic Organization (UNIDO) and the PDP-Laban will eventually split and make the government of President Aquino shaky.

In an interview with newsmen Friday, Gonzales said that such reports had not been discussed by Mrs. Aquino nor by any other member of her Cabinet.

Gonzales, once a leading member of the UNIDO, said such talk might have been the offshoot of the "struggle between Vice-President Laurel and President Aquino" during the weeks preceding the formal filing of candidacy by Mrs. Aquino for the snap polls.

The 53-year-old widow of murdered opposition leader Benigno Aquino, Jr. was swept to power in a military rebellion led by Defense Minister Juan Ponce Enrile, who has lately become openly critical of her policies on communist insurgents.

Saying the UNIDO

leadership no longer looks at him as a party member, Gonzales said the Aquino government was made up of leaders from both political parties.

This talk about UNIDO ministers resigning and campaigning for the rejection of the draft Charter has been fueled largely by coffeshop talk, Gonzales said.

He said reports which suggested the UNIDO got a raw deal with the assumption of Mrs. Aquino to power should not be seen as a division of political spoils but as an opportunity for leaders to work for the Filipino people.

Gonzales told *The Manila Times* he could not turn his back on Mrs. Aquino and side with adversary forces for what he said was political expediency. Gonzales said he "had threshed out the issue with myself."

The justice minister also declined to say whether he would run for the Senate should the draft charter be ratified by Filipino voters in a scheduled plebiscite next

January.

"I'm flattered, but I prefer to stay in the Ministry since I can help people; politically, however, running for the Senate is good since you have a national constituency," he told *The Manila Times*.

Nevertheless, Gonzales stressed that "we have yet to know whether this draft Charter will be ratified and thus supersede the existing Freedom Constitution."

He left the door open, saying that Cabinet ministers were making no political announcements at this time.

"In a few months, we'll know," he said.

Meanwhile, Gonzales said it was possible that the Anti-Subversion Law or RA 1700 might be repealed provided the revolutionary underground stopped using force and violence to achieve its political aims.

He said this possibility would hinge on the currently stalled peace talks between government negotiators and rebels representing the National Democratic Front.

/9317

CSO: 4200/90

PHILIPPINES

BISHOP FORTICH ADDRESS, NEGROS RECOVERY PROJECTS REPORTED

Manila THE MANILA TIMES in English 20 Oct 86 p 6

[Text]

**BACOLOD CITY** — Bacolod Bishop Antonio Fortich has stressed that the problems in Negros cannot be solved by "bullets" alone.

The bishop, who was guest of honor in the meeting of the Negros Solidarity Movement, said farm owners can alleviate the economic conditions of the workers through land-sharing for them to undertake food production project.

"If we can only utilize the hundreds of hectares of abandoned land, Negros Occidental might come out as the food basket of the country," Fortich said.

Meanwhile, Fr. Ireneo Gordoncillo, director for social action of the Bacolod diocese, said that land-sharing may not be a permanent solution to the problem but it can really help the people suffering from the economic crisis.

The Negros Solidarity Movement headed by Monico Puentevella aims to promote total human development in Negros through voluntary land sharing, diversification, population control, technical and vocational schools for laborers and

small-scale industries in the province.

Meanwhile, eight depressed communities composed of 2,000 people in this capital city have been formed into work units to help fight the massive unemployment and poverty brought about by the sugar crisis.

Initiated by In-Hand Negros Inc., a non-stock, non-profit corporation dedicated to community development through trade, the work units are now producing 200,000 Christmas lanterns for the domestic markets.

Millie Kilayko, In-Hand general manager, said the lantern is called the "Philippine Star of Hope" since it has given hope to some 2,000 people involved in the project.

The work units are also trained in management to enable them to become self-reliant and ready for trade after the lantern project.

Kilayko also said the corporation would give half of the profits in the project to the communities to finance their next undertakings.

/9317  
CSO: 4200/90



PHILIPPINES

MUSLIM \$5 MILLION NEGOTIATIONS; NPA PRISONERS RELEASED

Manila THE MANILA TIMES in English 20 Oct 86 pp 1, 6

[Text]

THE government is negotiating for a \$5-million loan from several Muslim countries around the world for its economic recovery programs.

This was disclosed to *The Manila Times* by Sultan Amirullah Mangelé, a Filipino Muslim who is president of the Amirul Din Islam, a multi-million-dollar financing company based in Switzerland.

Mangelé, who was in Manila to seek the release of kidnaped Swiss tourist Hans Kunsli, said he has been authorized by the government to negotiate with the Islam countries.

But he refused to give details of his ongoing negotiations, although he showed the *Times* copies of Telex messages sent him by Vice-President and Foreign Affairs Minister Salvador Laurel inquiring on the progress of his mission.

Mangelé said in his initial talks with representatives of Muslim governments, they expressed willingness to assist the Philippines in its economic recovery efforts.

The result of the negotiations, he said, hinges on the current peace negotiations of the Aquino government with the Moro National Liberation Front (MNLF).

The Muslim countries around the world, he said, are supportive of President Aquino's peace initiative with the MNLF.

Meanwhile, President Aquino yesterday met with Lt. Romeo Gan and Sgt. Domingo Causapin, Jr., two junior officers of the Philippine Army released last Saturday by the New People's Army-Quezon, after being held captive 26 days in the Bondoc Peninsula.

Chairman Oscar Santos of the Philippine Coconut Authority and Mayor Euclides Abcede of Lucena City acted as government emissaries during the two-week negotiation.

In the course of the negotiation, the NPA made four demands for the immediate release of the two officers.

One, to stop the military's search and destroy operations in five municipalities of Quezon.

Two, to dismantle and disarm the paramilitary units of the 49th Infantry Battalion along with the renegade groups of the Solo Brothers.

Three, to investigate human rights violations by the military during the past and present dispensations.

Four, to give the NPA media access concerning the raid in Buenavista town last September 22 and other cases.

The NPA stressed that the release of Lt. Gan and Sgt. Causapin is a proof that it is seriously confronting the reconciliation and peace efforts of the Aquino administration.

It added that it is also earnestly following the peace talks between the representatives of the National Democratic Front (NDF) and the national government.

"President Aquino showed her concern for us," Lt. Gan said in an interview right after his 20-minute meeting with the Chief Executive.

Press Secretary Teodoro Benigno described

the meeting as "cordial" and added that "they exchanged impressions."

Asked how they were treated by their captors, Lt. Gan, speaking alternately in English and Filipino, said, "They treated us well. We ate what they ate, which consisted mainly of rice, corn and vegetables."

"At first, Lt. Gan revealed that he feared for his life. But after three days wherein no harm was done to them, he surmised that "they will not kill us."

He added that during their captivity, they were chained because their captors did not have cells.

When asked about the ceasefire initiative of the government, he said, "The military is not the entire solution to the insurgency problem. The solution lies in the combined efforts of the government and the military."

Lt. Gan and Sgt. Causapin said that during their 26 days of captivity, most of their time was spent in eating, sleeping, and walking.

/9317  
CSO: 4200/90

PHILIPPINES

MILITARY COMMANDER ALLEGES NPA PENETRATION

Kuala Lumpur ASIAN DEFENCE JOURNAL in English Oct 86 p 133

[Text]

Regional commander Brig. Gen. Reginato Padilla, in a report to General Fidel Ramon, Armed Forces Chief, has accused the communists of attempting to infiltrate the Armed Forces and the Defence Ministry through the *Guardian*, an organisation of military personnel. The *Guardian* participated in the aborted July 6 coup led by former MP Arturo Tolentino. Brig. Gen. Padilla also said the New People's Army (NPA) was backing the transfer of full control of police forces to town and city mayors, a move which could weaken the military counter-insurgency posture - the police being the military's "front-liners" in the anti-communist campaign. Brig. Gen. Padilla added that the move would split police loyalties between their anti-communist mission and the mayor's instructions. The Aquino government recently laid the ground work for the return of full police control to mayors. This was done to dismantle the centralised command of the Armed Forces through the integrated national police.

The accusation has surfaced just as the government and the NPA prepare to sit down for peace negotiations. Chief negotiator at the talks Jose Diokno presently in the US for medical treatment will be replaced by Audit Commission chairman Teopisto Guingona who will remain on the panel when Diokno returns. Political affairs Minister Antonio Cuenco may also be included in the peace talks panel.

/9317  
CSO: 4200/90

THAILAND

ACADEMIC WANTS COPYRIGHT AS BARGAINING CHIP WITH U.S.

Bangkok BANGKOK POST in English 11 Oct 86 p 9

[Text]

A WELL-KNOWN academician has suggested that Thailand should use as a last resort the intellectual property rights protection for US products in exchange for various protectionist bills pending in the US Congress.

Dr Surakiart Sathirathai, a lecturer at Thammasat University, said that Thailand should not "exchange" the stricter intellectual property rights protection for the Generalized System of Preferences (GSP) given by the US for Thai products.

He said that what the US wanted from Thailand at present was for the Government to give more intellectual property rights protection for its products.

"But it would not be worthwhile for us to exchange such protection for the privileges under the GSP status worth about US\$235.27 million this year," he said. "Such privileges are uncertain and they could decline in the future," he added.

Dr Surakiart made the comments during a seminar on "How GATT and GSP affect us," organized by the Public Affairs Group, Public Affairs Foundation at the Imperial Hotel on Thursday evening.

His comments came in the wake of a move by the Government to review the country's law on intellectual property rights as a gesture to the US which has threatened to review its GSP status to Thailand.

Another commentator, Mr Kasit, who is deputy director-general of the Foreign Ministry's Economics Department, said that it was difficult for the Government to make a decision on the issue, including whether it was worthwhile or not to "exchange for the rights."

But as far as the protection for the intellectual property rights is concerned, the Thai Government had already informed US authorities over its softening stance, including its action on the intellectual property right protection, adopting of the tariff system on imported soybean instead of import control, and stringent enforcement of the trademark law.

Although US officials had yet to respond to the Thai Government's decision, Mr Kasit said further action would then be taken.

However, the Foreign Ministry official said that the Government would not bow to the US request on the patent law of pharmaceutical products.

"It should be a quid pro quo," Mr Kasit stressed.

Dr Surakiart also suggested that Thailand should apply for membership in the Subsidies Code Agreement so as to protect the country's exports from the imposition of countervailing and anti-dumping duties by its trading partners, particularly the US.

Under the agreement, the trading partners would have to prove first that exports of Thai products

to their countries have affected their local industries.

However, the US currently uses its own law in imposing the CVD and anti-dumping duties on Thai products, reasoning that exports of Thai products receive subsidies from the Government.

While saying that the decision to join the Subsidies Code Agreement rested with the Commerce Ministry, Mr Kasit said that once Thailand became a member to the agreement, local industries would no longer receive several privileges, including cheaper electricity rates.

The next commentator, Dr Nimit Nontapunthavat, vice president of Bangkok Bank's Economic Research Centre, forecast that based on the Foreign Trade Department's figures, exports of Thai products to the US enjoying GSP status would be \$293.77 million and \$352.27

million in 1987 and 1988 respectively — an average increase of about \$58.5 million a year.

According to FTD's estimates, Thailand's total exports to the US would be \$1,596.18 million and \$1,809.96 million in 1987 and 1988 respectively.

Under the US Trade and Tariff Act 1984, the US administration would use the general review for granting GSP status to each country, taking into account the suitability and returns received by the US.

Otherwise, the US authorities would apply the lower competitive need limit of 25% in reviewing the GSP status, using the GSP level of 1984 as guidelines.

If the 25% lower competitive need limit is applied, about 16-17 Thai products to the US, worth \$20-40 million, whose export volume exceeded 25% of the total US imports of the particular products, would be affected.

/9317

CSO: 4200/85

THAILAND

FEATURE DESCRIBES THAI STUDENTS' EXPERIENCES IN USSR

Bangkok THE NATION in English 15 Oct 86 p 4

[Article by Sinfah Tunsarawuth]

[Text]

**M**ANY of the Thai students who go to the Soviet Union for study find out early that enthusiasm alone may not be enough to help them face the reality. Apparently accustomed to the easygoing lifestyle back home, these students find out soon that the education under the Soviet system is very demanding.

And one thing they may have overlooked because of their fervour to be in the Soviet Union is that a degree they get there will not necessarily be recognized by the Thai employers. And when they finally return home, they may find themselves a focus of attention by Thai security people.

Education aside, Thai students have found that their study in the Soviet Union gives them a chance to visit countries in the Western and Eastern Europe.

To the relief of the security-conscious Thai authorities, most of the Thai students — contrary to their fears — do not easily absorb socialist thinking. Though Soviet socialism and history are compulsory subjects, the Thai students are not known to have been indoctrinated. Some even return home with negative attitude toward the austerity in the country and its clumsy bureaucracy they dealt with during their stay there.

A Thai student told *The Nation* in Moscow that she decided to enroll in a Soviet university as a way out of engaging in low-esteemed job in Thailand. She graduated from Thammasat University, taking Russian as a selective course during her undergraduate years. She was a tourist guide before leaving for Moscow.

The student, who declined to be named, said many of her acquaintances applied for Soviet scholarships out of a desire to go abroad. She said many of them used the Soviet Union as the springboard to tour Western Europe. On the day *The Nation* met her at the Thai Embassy in Moscow, she herself was planning to visit Italy.

Foreign students can journey to countries outside the Soviet Union for surprisingly low expense by getting Soviet roubles from black market. While the official exchange is one rouble for US\$1.45, American currency holders can get offer of \$1 for as much as 4-5 roubles.

*The Nation* was told that foreign students exchange currency among themselves and some of them professionally engage in the business.

The student said some of her colleagues were just arranged by "Thai agents" to go to the Soviet Union though they had no prior aspiration to go there. She said she did not know who the agents were.

A Thai woman who returned to Bangkok in July with a master's degree in international relations from Kiev State University said she has heard of such an arrangement. However, she said those who had no determination to study tended to drop out.

She said the drop-out rate was high among Thai students in Kiev. She said she had seven classmates of whom three had returned to Thailand before graduation. Last year, 22 Thais, some finished only their high school, arrived in Kiev and two of them had come back to Thailand, she said.

She discouraged those who are not energetic to go to the Soviet Union, saying they would only waste their time.

#### HOW THEY WERE RECRUITED

Asst Prof Yodboon Lertrit of Thammasat University who graduated from Moscow State University said some students were recruited to the Soviet Union without advance knowledge of Thai officials. She said the Soviet Embassy here has offered a number of scholarships for Thai students for many years but the Foreign Ministry did not give an official reply.



Pacharapi Thapanosot, a lecturer at Ramkhamhaeng University who graduated the same university as Yodboon, also said officials of the Soviet Embassy had handled the scholarships itself without channelling them through Thai officials.

Both Yodboon and Pacharapi teach Russian at their respective universities.

The embassy proposed a package of 60 scholarships to the ministry for the 1986 Soviet academic year but the offer was turned down by Thai officials who cited more time was needed to map out how to deal with the scholarships.

The embassy is expected to submit the offer again late this year or early next year.

Thai students who now study the Soviet Union did not have to pass any examination to get a seat in Soviet universities. The only requirement is their ages should be under 35.

### TOUGH CLASSES

The Thai student said studying in the Soviet Union is strenuous. Even post-graduates have to take classes six days a week and five hours a day, apart from work in the libraries.

She said Soviet lecturers call roll in every class and will question students who are often absent. She complained that the lecturers treated them like children.

She said Soviet students have to work even harder since they are required to participate in public activities on Sunday.

Many of Thai students failed to finish their study and were sent back home before graduation. They were found to be incompetent and lack the strong will to face the tough courses.

Dmitry Bilibin, vice rector of Peoples' Friendship University in Moscow, said he was "not very much satisfied" with the academic performance of four Thai students who were the first Thais enrolling in his university.

Bilibin said the Thai students who registered in the university in November 1985, had once failed an examination of preparatory course during their first year. He said every student of the university has to pass the examination before choosing the subject to major in and that takes another five years.

He said the university executives did not decide to send the Thais back home since they thought that more time should be allowed for them who were the first Thais of the university.

He said the four who were expected to finish the preparatory course next year intended to study law, agronomy, civil engineering and philology each. They will receive a master of science degree after their graduation, regardless of their majors.

The Peoples' Friendship University was founded in 1960 to provide training for personnel from developing countries. Bilibin said it has about 6,000 students from 109 countries.

Thai Ambassador to Moscow Prajit Rojanapirk said there are about 90 Thai students in the Soviet Union and most of them take courses in Russian and social science.

Prajit said those who tried to study medical science or other natural or physical sciences tended to be unsuccessful. He said those students were constrained by the difficulties of Russian and they disqualified since they were not properly screened.

The ambassador said Soviet universities always test Thai student's efficiency and those who showed deficiency will be repatriated.

He said he has been in contact with Thai students in the Soviet Union and found no evidence that they were indoctrinated during their stay in the country, though history of Soviet socialism is a compulsory course in every academic year.

The Thai student said although students are free to choose their majors, all the courses and study programmes are set by the universities. She said no selective subject is included.

Travelling is also restricted. She said foreign students have to inform university officials when they want to travel outside the cities in which they are studying. They are also required to identify their addresses and the persons they know in the cities they plan to visit.

### DIM CHANCE OF EMPLOYMENT

She said Thai students in the Soviet Union have been teased by their friends here that they who return with a Soviet degree will only face unemployment.

The Thai woman who graduated from Kiev State University has not got a job yet. She had been advised by the Soviet Embassy to seek a job at the Aeroflot office in Bangkok but was told by officials of the Soviet national airline that no vacant position was available.

Most of Thai graduates from the Soviet Union had to seek employment at the Soviet Embassy or other Soviet agencies here. They were aware that their chance to enter governmental service was very limited.

Yodboon said whether there will be jobs available for Thai graduates depends on the political relations between Bangkok and Moscow. She said if the Thai Government does not support them, they will face difficulties in finding jobs.

The Soviet Government spends a large sum of money in providing scholarships for foreign students. Thai students do not have to pay anything during their study and are provided 90 roubles (about 3,400 baht) for their monthly allowance. Their flight to the Soviet Union is also free.

Prajit indicated he did not favour Thai students taking courses in Soviet university but said some academic exchanges will benefit Thailand. He said Soviet laser technology and optics are worthwhile for short-period study.

While Yodboon said she will advise Thai students who want to go to the Soviet Union to take courses in those fields like architecture, engineering and fine arts so they can start their own business when return, Pacharapi said she dissuades those who were brought up in well-to-do families to go.

When the Soviet Embassy submits another package of scholarships for 1987 academic year, the Thai Government should come out with a measure to select those beneficiaries so Thailand can fully make use of the offer. Only myopic thinkers will say Thailand cannot learn anything from a socialist country at all.

/9317

CSO: 4200/84

THAILAND

GOVERNMENT WANTS WORLD BANK SUPPORT FOR PROJECT

Bangkok THE NATION in English 4 Oct 86 p 17

[Text]

**THE government will convince the World Bank to be aware of the significance of the proposed construction of a seaport at Laem Chabang on the Eastern Seaboard because a bank's report earlier favoured the improvement of Sattahip commercial port.**

The Finance Ministry and the National Economic and Social Development Board (NESDB) will seek consultative discussion with the World Bank because the government wants financial support from the institution.

The Eastern Seaboard Development Committee is due to meet on October 15 to have a clear-cut policy on industrial development in the region, particularly the Laem Chabang port which will be given a top priority.

The meeting is expected to have arguments on the pros and cons over the project, particularly the trend to shift the development of Mab Ta Put, including the construction of a seaport and an industrial estate, to Laem Chabang.

Well-informed sources said that the decision to develop Laem Chabang and Mab Ta Put ports is a controversial issue and the government must have a firm policy and a

clear-cut stand on the Eastern Seaboard projects.

"This is because the government must create confidence for the private sector and persuade foreign investors to have ventures in the area," he said.

The ESB projects, which will see the birth of heavy industries such as chemical fertilizer and petrochemical manufacturing, have been delayed due to sluggish economy and government fiscal constraints.

The sources said that the Prachakorn Thai Party and Democrat Party tend to show support to the construction of the Laem Chabang port. Furthermore, consultations among Finance Minister Dr Suthee Singhasaneh, NESDB Secretary General Dr Snoh Unakul and PM's Office Ministers Suli Mahasandana and Dr Chirayu Israngkun Na Ayuthaya also moved towards the same direction.

The Laem Chabang port has been expected to serve ships with up to 140,000 DWT. Other related projects in the area include the construction of an industrial estate to serve an export processing zone, bonded warehouses.

The whole development package is expected to earn vast foreign exchange. These facilities, as expected by the

government, will attract investment from local private firms and foreign businessmen.

The plan to build the Mab Ta Put port has not been pursued because National Fertilizer Corp (NFC) Ltd cannot move ahead with its multi-million baht investment in the fertilizer complex due to various obstacles, including the reluctance of private partners to put in more capital.

The company cannot yet raise the capital from 200 million baht to 2,250 million baht because 15 million baht is needed to fulfil the paid-up capital of 200 million baht. The NFC project will decide the fate of the Mab Ta Put port and industrial estate schemes.

If the NFC project is phased out or delayed, the size of the Mab Ta Put port would be reduced though it would also serve the petrochemical industry.

The World Bank had recommended in its report that the government should direct its investment to the Sattahip seaport, which has been partly developed with new financing.

"The Finance Ministry and the NESDB will strive for an understanding with the World Bank on this issue to boost the confidence of foreign financial institutions expected to provide support to the ESB development," said the sources.

With confidence gained, the government can have

less role in financial investment as the private sector will have more significant participation, they said.

The government has already invested US\$13 million in the preparation for the NFC project and the construction of railroad from Sattahip to Mab Ta Put, water pipeline (US\$24 million), it has yet to make new arrangements with the Overseas Economic Cooperation Fund of Japan, the principal lender.

The 12th Yen Loan include 6,045 million yen for Mab Ta Put port and 3,207 million yen for Mab Ta Put industrial estate. When the NFC project was given top priority, the Mab Ta Put port was also treated with a similar status.

The sources said that the government is likely to slash some projects rather than face serious problems when it pushes ahead for all programmes, including the NFC project.

Earlier study showed that the NFC project may need government subsidy if its production cost is higher than world market prices. There are no indications that world prices would pick up. At the same time, fertilizer plants in many countries have been closing down due to heavy losses.

The Laem Chabang port will need US\$130 million compared with US\$96 million for Mab Ta Put. Industrial estates at the two sites need US\$36 million and US\$67 million, respectively.

/9317

CSO: 4200/84

THAILAND

JAPANESE SUGGEST PLANT PROJECT

Bangkok BANGKOK POST in English 11 Oct 86 p 13

[Text]

**THE Japanese consortium of Marubeni, Mitsui Engineering & Shipbuilding and Fuji Electric is seeking government approval to build a big lignite-fired power plant and steam boiler, estimated to cost over 700 million baht, at the Bangpoo Industrial Estate.**

The group's proposal was sent to the state-run Electricity Generating Authority of Thailand's general manager, Sqn Ldr Kamthon Sindhavananda, through Thailand Industrial Real Estate Development Co, the Bangpoo industrial estate developer.

In the letter, TIRED General Manager Pairoon Samranphuti said preliminary studies conducted by the Japanese consortium indicated that it was justifiable and economically feasible to establish a power plant and boiler with a capacity of 35 MW using lignite as fuel.

The electricity and steam generated by the proposed plant are meant to meet the requirements of some 70 factories located within the 3,700-rai industrial estate which Mr Pairoon claimed to be suffering from irregular power supply and frequent blackouts.

The size of the proposed power plant is relatively large. EGAT's Ubol Ratana hydro power plant in Khon Kaen is capable of producing 25 MW — sufficient to meet the demand in eight North-eastern provinces.

The group's proposal is believed to be the first of its kind in Thailand where the role of public utilities suppliers are assumed by state enterprises.

According to an official source, EGAT, the state power agency, has not yet seriously considered the proposal which was sent to Sqn Ldr Kamthon late last month. A committee is reportedly to be set up to look into the matter.

EGAT officials yesterday expressed surprise over TIRED's claim that EGAT failed to meet the plants' power demand, some even treated it as "insulting."

The official noted: "The truth is that the industrial estate is close to two of EGAT's major power generating sources — the South Bangkok and the Bang Pakong, the single largest power plant in ASEAN."

However, the official did not totally rule out the possibility of the claimed problems involving distribution and transmission — the responsibility held by the Provincial Electricity Authority, another state enterprise, which stands to lose considerable revenue from the power sales to plants in the industrial estate located in Muang District, Samut Prakan.

If that is the case, he said EGAT was prepared to build a special substation just to regulate the flow of electricity to the industrial estate.

Mr Pairoon, however, could not be reached for comment yesterday.

/9317  
CSO: 4200/85

THAILAND

PREM WANTS SUPPORT FOR FARM SECTOR

Bangkok THE NATION in English 30 Sep 86 p 17

[Text]

**THE prime minister yesterday instructed the Council of Economic Ministry to explore measures for the government to formulate a policy for supporting agricultural commodities which continue to suffer price fall as the harvest season for cash crops is due soon.**

Government spokesman Mechai Viravaidya said the prime minister mentioned rice, cassava and maize among the cash crops. However, he ruled out selective support scheme for the agricultural products.

He said Gen Prem Tinsulanonda's instruction means an early preparation for the price support scheme for farm products. "This is different from previous years when the government came out with measures when problems had already occurred," said the spokesman.

The government has reasons to be more concerned with the low prices of farm products such as rice, sugar, maize and tapioca products which are the major income earners. The concern was heightened when major commodities have to bear the brunt of the US Farm Act.

Already, the Finance Ministry and the Bank of Thailand have jointly agreed to set aside 5,000 million baht to support paddy prices and 3,000 million baht for other commodities. The assistance will be directed to paddy farmers who can obtain low-interest loans to finance stockpiling for sales when prices are better.

Well-informed sources said that the 5,000 million baht will be channelled through commercial banks. The central bank will charge a token rate of one per cent while banks will charge three per cent interest rate in rediscount facility.

For the 3,000 million baht financing for other crops, the central bank will charge three per cent while banks will charge five per cent. Rediscount can be up to 80 per cent of the price of crops.

The monetary authorities will find a conclusion so that they will meet members of the Thai Bankers' Association and the Thai Rice Mills Association on October 2.

Director of the central bank's Banking Department, Vijit Supinit, said that more details were needed to determine the actual production of paddy. Preliminary estimates show that paddy harvest will yield 19.7 million tons compared with 20.5 million tons in the previous season.

The assistance package, he said, does not require that the minimum paddy price be 3,000 baht per ton as in the past season. "The financing will encourage all concerned to stockpile paddy so that the domestic prices will not be too low," said Vijit.

He said the current price of paddy is 2,600 baht per ton on an average.

The central bank has set aside a total of 33,700 million baht in packing credit and so far between 16,000-17,000 million baht have been tapped. Only 1,200 million baht were tapped from various central bank branches in packing credit.

Under a new policy, the branches of the central bank will be stimulated to set aside funds to help each region such as the North, Northeast and South. Each will get about 500 million baht.

"The new measures cannot yet envisage the price range for paddy," he said.

The central bank has eased the monetary policy somewhat was due to the fact that the current account has improved considerably. During the first eight months of this year, there was a surplus of 7,800 million baht.

The expected deficit in the current account up to 5,000-6,000 million baht by the end of this year may not occur.

The last four months of this year coincides with the export season and there will be more earning from net services. Besides, the country's export grew 17 per cent during the first eight-month period, compared with 12 per cent expected earlier, he said.



THAILAND

FINANCE MINISTRY SETS PROJECT PRIORITIES

Bangkok THE NATION in English 21 Oct 86 pp 17, 18

[Article by Sam-ang Vutisaksatit]

[Text]

**THE Debt Policy Committee of the Prem V Government will for the first time meet tomorrow and its members are expected to reaffirm that the country's external debt ceiling be maintained at US\$1,000 million during fiscal 1987 which began this month. However, the debt ceiling would not hurt investment projects marked for Laem Chabang on the Eastern Seaboard.**

Informed sources told *The Nation* that the main concern of the committee, chaired by Finance Minister Dr Suthee Singhasaneh, is to try and reduce the country's debt burden with an eye into the future.

The task of the committee is to continue to set priorities for projects within the external debt ceiling of US\$1,000 million for the fiscal year. At present, there are projects requiring foreign funding of about US\$2,000 million.

The government has been trying to reduce the external debt load through refinancing. Annually, the government faces lighter interest burden though much of the work has yet to be done.

The government will have to decide which projects should be implemented in the current fiscal year as it is well aware of the fiscal constraints. According to informed sources, the decision of the Eastern Seaboard Development Committee last week to set priority investment projects for Laem Chabang deepsea port will not affect next year's borrowing programmes.

The Laem Chabang deepsea port will require a total investment of 4,890 million baht. The government has already signed loans totalling 4,822 million yen under the 10th and 11th Yen Loans to finance the development of the sea port scheme. An additional loan of 12,283 million yen is within the 12th Yen Loan which has not yet been signed.

About 7,242 million yen remain to be availed under the 13th Yen Loan. However, additional loans for the Laem Chabang deepsea port are not expected to come under the external debt ceiling next year since the fund in the 12th Yen Loan has not been withdrawn.

The 1,410-million-baht investment in the industrial estate is partially funded by the 12th and 13th Yen Loans of 2,922 million yen and 2,075 million yen respectively. This

project will require a counterpart funding of 695 million baht which has not yet been acquired.

The Laem Chabang pipeline project will need an investment of 195.2 million baht and has not been accounted in the 13th Yen Loan. The investment in Sri Racha rail route will be financed with a loan of 1,363 million yen from the 14th Yen Loan.

Sources said they expected no problems even if there was urgent need for fund to finance the Laem Chabang deepsea port project from the 13th Yen Loan but this was highly unlikely since the project would take sometime to implement.

They expressed confidence that the committee was likely to approve a request by Thai Airways International to purchase three aircraft. This request has already been approved by the Cabinet which left the Debt Committee to handle the final details. The investment belonging to the Electricity Generating Authority of Thailand is also not expected to face any difficulties.

The committee is expected to approve a third of the loan request of the Telephone Organization of Thailand to implement projects which could benefit the consumers and immediately contribute to the

earnings of the agency. TOT has submitted a total sum of 34,000 million baht. Some financing might be included in next year's external loan ceiling.

Sources said that it was still the goal of the committee to try and limit debt repayment within 11 per cent of debt service ratio in the next fiscal year and down to nine per cent the following year.

The Thai government normally signs external loan agreements in October of each year. But it has been unable to sign any this month since many projects in the pipeline are facing delay, sources said, adding that the delay in debate over next year's budget and the long wait for the decision of the ESB Committee had a lot to do with the inactivity this year.

The Finance Ministry intended to borrow about 74,000 million yen under the 13th Yen Loan. The government still considers that the yen loan from the Overseas Economic Cooperation Fund of Japan carried favourable interest rate and term, sources said.

However, they added that it was still possible for OECF to lower its lending rate by one percentage point from 3.5 per cent. But this does not appear forthcoming since in a recent OECF loan of 80,000 million yen to a developing country the previous term and interest rate were maintained.

At the same time, they noted favourably on the decision of the Japanese government to allow borrowers to refinance the loans and to allow projects to be run totally by local staff, for example the National Fertilizer Corp Ltd

which is a privately-run corporation and the loan is processed by the Industrial Finance Corp of Thailand.

### ▶▶▶ MIDLAND BANK

A major trader in spot and forward foreign exchange, Midland also has the largest turnover on the London international futures exchange and has been an innovator in the development of second generation treasury products, such as swaps, options, caps, collars and floors.

"We are now developing a third generation of hedging and exposure management techniques and translating them into the Asian environment," Mr Todd disclosed.

"As an active participant in local markets, we are introducing the new instruments to banks in the region with which we have strong links."

The group's merchant bank, Samuel Montagu, has developed a significant regional capability in the areas of advisory services, including equity issues, acquisitions, disposals, joint ventures, project financing, debt rescheduling and capital reconstruction.

Samuel Montagu is also active in the region as an underwriter of debt and equity issues and has plans to develop a research capability in Thai stocks, in association with Greenwell Montagu.

Midland is establishing a specialist trade desk for Thailand, offering a range of services, including countertrade and forfeiting.

"In addition to traditional trade patterns, the bank aims to support intra-regional trade flows and to assist the efforts of exporters to move away from their dependence on a narrow range of historical markets," Mr Todd explained.

/9317

CSO: 4200/84

THAILAND

GOVERNMENT TO INTERVENE TO MAINTAIN PADDY PRICE

Bangkok BANGKOK POST in English 11 Oct 86 p 9

[Text]

**THE Government will inject 5,000 million baht to stock finance paddy rice as an urgent measure designed to maintain the price level, Deputy Finance Minister Dr Supachai Panitchpakdi said yesterday.**

The interest rate charged on the facilities to be injected by the Bank of Thailand through commercial banks will not exceed 3% while the margin to be charged by commercial banks will be about 2%. This means the interest rate on the loans will be only a maximum 5%, Dr Supachai said.

The decision to inject the money was reached during a meeting of top financial and monetary officials, including Finance Minister Dr Suthes Singsaneh, Dr Supachai, Bank of Thailand Deputy Governor Chavalit Thanachanan, Banking Department director Vjitt Suphinit, Economic Research Department director Dr Chaiyawat Wibulsawadi, and Commercial Bank Supervision and Examination Department director Ekkamol Khiriwat.

Dr Supachai said that the injection will begin in November this year, and end in June next year, the period being the season of paddy harvest.

"This is not a measure to shore up the price, but the Government wants the financial assistance to reach the farmers," Dr Supachai said.

He said that the Bank of Thailand will hold talks with commercial banks to help work out measures to enable the financial assistance goes directly to farmers.

"We will have to work out measures to prevent some rice mills from taking advantage from the facility," he said.

Meanwhile, Mr Vjitt said that the injection of 5,000 million baht by the Bank of Thailand will be sufficient to stock about 20 million tons of paddy rice.

The amount should be more than enough as it is forecast that the total paddy rice production this year will be 19.7 million tons, of which 17.5 million tons will be the annual crop and 2.2 million tons be the second crop.

"However, if the Government wants the Bank of Thailand to provide more facilities, we are ready to follow," Mr Vjitt said.

The money is not the matter of the problem, he said. The actual problem is how to make the money to reach the farmers' hands.

LOANS

"We will try to extend the loans to merchants who will go buying paddy rice from farmers. Farmers who have their own barns can also seek the facilities from the Bank of Thailand," Mr Vjitt said.

Before the new facility, the Bank of Thailand had set apart 3,000 million baht as the facility for stock financing, and this amount will be used to finance other crops, including maize, jute, bean and palm oil.

Mr Chavalit said the Bank of Thailand will shortly call a meeting with commercial banks to ask their help to extend the facilities to the farmers.

THAILAND

MONETARY MEASURES FAIL TO STIMULATE INVESTMENT

Bangkok BANGKOK POST in English 11 Oct 86 p 9

[Text]

**BANK of Thailand** admitted yesterday that monetary measures have failed to stimulate investment and urged the Government to take action to improve the situation, a senior central banker said.

Dr Chaiyawat Wibulsawaadi, director of the Bank of Thailand's Economic Research Department and also acting chief spokesman of the central bank, said that the Bank of Thailand, since the beginning of this year, had implemented several monetary measures to encourage more investments but they failed to work.

The most important monetary measures imposed by the Bank of Thailand were the reductions in the interest rate.

The central bank had officially cut the ceiling rate twice this year — the first announcement was effective on January 2, bringing down the lending rate ceiling from 19% to 17% and deposit interest rate from 13% to 11%, while the second one was effective on March 3, reducing the loan ceiling from 17% to 15% and deposit rate from 11% to 9.5%.

The reductions were aimed at encouraging commercial banks to further bring down their rates without official intervention by the central bank.

Currently, the rates on loans ranged between 7%-15% and in case of prime customers, they

can borrow at the rate of only 7-8%. The level is extremely low, but the investment situation has not improved," Dr Chaiyawat said.

He said that the low interest rate did not help boost the demand for loans.

The Bank of Thailand has also implemented several monetary measures to boost the public's confidence in the country's monetary position.

Currently, the monthly capital inflow totals about US\$1,000 million, and it was about \$1,500-2,000 million during the first few months of the year. "This makes it very clear that our position is very stable, but it also failed to encourage investment," Dr Chaiyawat said.

He said that other measures imposed by the Bank of Thailand included encouragement through the repurchase market, and allowing commercial banks to temporarily double their foreign exchange holdings to 40% of their capital funds.

This has enabled the commercial banks to hold more foreign exchange in their portfolio and also reduce their need to quickly sell their foreign currencies as in the past.

**RESULT**

This has resulted in an increase in the premium rate for currency forward transactions

thus raising the cost in bringing in foreign funds, which theoretically should boost the demand for loans in the local market.

But Dr Chaiyawat said it did not work as effectively as planned.

"As the monetary measures have failed to boost investment, it is now the Government's turn to do something to improve the situation," he said.

Considering only the economic situation, he said that it was still not attractive to encourage more investments. "The people still preferred to invest their money in bonds and stocks rather than in production," he said.

He urged the Government to announce a clear-cut way to stimulate investment.

Under the present situation, Dr Chaiyawat forecast that the country's economic growth this year would be around 4.1%.

"But it will not reach the rate of 5% as forecast by certain institutions, though, it may be up to 4.5% at the most," he said.

If there is no other unexpected factor, either favourable or unfavourable, he predicted that the economy was about to take off. "But it will be very slow and gradual," he added.

Regarding the country's trade performance, he said it was very favourable during the first three quarters of this year. "But in the last quarter, the trade deficit may be high. However, for the whole year, the total trade deficit will be at a record low," he added.

THAILAND

TRADE DEFICIT EXPECTED TO RISE DURING LAST QUARTER

Bangkok THE NATION in English 16 Oct 86 p 25

[Text]

**THE LAST** quarter will likely see a slight increase in the country's trade deficit which is expected to total 18,000-22,000 million baht this year showing roughly a one-third decline from last year's, according to a senior Bank of Thailand official.

Director of Economic Research Department Chaiyawat Vibulswasdi told reporters yesterday that the trade deficit will be higher in the last quarter of this year because of flat commodity exports, world oil price rebounds and the economic expansion which will lead to more imports.

He said that the last quarter's higher trade deficit, however, is unlikely to affect the overall economic performance to a great extent as the trade deficit was relatively low in the previous quarters of this year.

Production and investment were also expected to expand during the last quarter and this year's expansion will be in a 4-4.5 per cent range, he said while noting that the industrial sector, however, had showed a better performance than the farm sector which saw commodity price slump.

He said that the country's exports of farm produce would likely remain flat in the last quarter because the country already exported considerably in the previous quarters of this year. In addition, oil imports would also increase as world prices went up by US\$3-4 between August and September, he said.

On imports, he said, the country's imports would likely increase in the last quarters as

domestic stocks had been depleted while the economic recovery would also lead to greater import demands compared with the previous quarters.

Chaiyawat said further that the country's economic results in the third quarter were better than the first six months of this year largely because of the lower increases in the cost of living or consumer price index.

The third quarter saw consumer price index rising by only 1.6 per cent compared with an average increase of 2.1 per cent during the first six months. The price index increase averaged at 1.9 per cent during the first nine months of this year.

On trade deficits, Chaiyawat said that the deficits were lower in the third quarter compared with the first and second quarters because the country's exports were relatively high although prices were in low levels.

In addition, imports slowed down during the third quarter because the country's economy remained in a slump, he said, adding that this had led to relatively-low trade deficits. The low oil prices were also attributable to the low trade deficit.

The third quarter also saw high liquidity in the banking and finance sector as the deposits showed an 11 per cent growth per year while loans expanded by only 3.5 per cent.

He added that the country, however, will see an inflation rate of 1.8-2 per cent, investment expansion by 4-4.5 per cent, trade deficit between 18,00-20,000 million baht and balance of payment surplus between 30,000-34,000 million baht this year.

/9317  
CSO: 4200/84



THAILAND

PARTICIPANTS REVIEW DEMOCRATIC ERA, REPRESSION IN 1976

Bangkok THE NATION in English 6 Oct 86 p 2

[Text]

**OCTOBER 6, 1976** has gone down as one of the bloodiest and most traumatic chapters in the modern Thai history. It was the day innocent students fighting for a just cause were brutally murdered. And for those who survived the massacre on the campus of Thammasat University, their lives would never be the same again — even a decade later.

But for the Thai people as a whole, the October 6 bloodshed represented a big step back in democracy.

What sparked the incident was the return of the deposed prime minister, Thanom Kittikachorn, from his refuge in Taiwan on September 20 and promptly entered monkhood. His arrival triggered off a protest by students and people who had fought bravely three years earlier to bring down his decade-long regime.

Adding fuel to the raging fire was the cold-blooded murder of two members of an anti-Thanom group in Nakhon Pathom Province. The two were killed and hanged to an iron gate while they were on a round of pasting anti-Thanom posters.

On October 4, the now defunct National Students Centre of Thailand (NSCT) called a major rally on the campus of Thammasat University and a mock hanging was staged to underline the Nakhon Pathom killing. It was the photo of a student being "hanged" in a right-wing newspaper that ignited the outrage of the rival rightists.

Before dawn of October 6, members of the ultra-right group, the Red Gaur, fired at the protesters on the university campus killing and wounding a few people inside. Heavily-armed policemen and soldiers then arrived at the scene to restore "law and order."

The restoration of "law and order" sadly turned into a mindless atrocities. Blood was shed and students as well as protesters were

lynched in the bloodbath inside and around Thammasat University after the ultra-rightwing mobs stormed the campus.

The horrifying incident on the day was the reason for the coup staged that evening by the so-called National Administration Reform Council. The military takeover sent hundreds of students and political activists who were labelled "leftists" to go underground and join the Community Party of Thailand (CPT).

Many of those who witnessed the tragedy ten years ago hate to recall their bitter memories, but some feel they should tell it hoping that it will be a lesson of the past.

Suchila Tanchainant, a former NSCT leader at the time, said the October 6 bloodbath was the most expensive lesson for all Thais. She said what the people learned from it was that democracy was what the people in this country fought hard for, but it was much harder to preserve it.

She said that the incident was a clear message to those in power that violence would never solve problems. It only invited more violence, she stated.

According to Suchila, the everlasting will of the people at the time was to fight with non-violent means against the attempt to restore despotism in the country and the people who had brought about violence on October 6 were those who would have to tell the next generations why the peaceful protest within the legal boundary was turned into a bloody tragedy.

She said the tragic event had negatively affected the lives of hundreds of students at the time who had been forced to flee into jungles for their own safety.

The country then had lost a number of young and bright people who could have been the future of the society, she said and added that although they had been allowed to return home, their lives would never be the same.



again and it might take a long time to restore their confidence in their society.

"All these people always have strong determination to work for the betterment of their country, but they need more sincerity and encouragement from the people in power who can help them forget their nightmare," Suchila said.

The founder of the Red Gaur, Maj Gen Sudsai Hazdin, viewed the October 6 incident from the other standpoint. He said the operation of his men had been designed to steer the students who had plunged to the left back on the "right track."

The retired general said the Red Gaur had decided to intervene to end the violence when the government and the authorities had apparently been reluctant to restore law and order.

He proudly called the October 6 incident the "outstanding success" of the Red Gaur to bring an end to the leftist movement and the NSCT. He warned that his men would make a comeback whenever there was disturbance in the country.

Chachoengsao MP Chaturon Chaisang who was then a student leader said what had happened that day still was vividly clear in his memory.

On the one hand, he said, it was an expensive lesson for the students, who were the losers, but on the other it helped him and his colleagues to better understand politics.

"We finally learn that the strategy used successfully in a period of time would work

poorly in the other. That is why the thinking of people should be adjusted to the changing circumstance," Chaturon who made a successful comeback in politics said.

However, another NSCT leader who asked not to be named appears to have a different story from that of the Chachoengsao MP.

He said the October 6 bloodbath was not only a major turning point but also a scar in his life. He said the incident was his unforgettable nightmare.

"All my dream and my future crumbled after the tragedy. And now I am in search for the answer of my life, but the further I go, the more confusion I experience," he desperately said.

Although he managed to earn his bachelor's degree from a prestigious university after returning from the jungle he still could not find a permanent job.

He said he had once got a job at a commercial bank as a personnel official and his boss was highly satisfied with his performance. But when the bank learned about his political background he was immediately fired.

He said he was still searching for the goal of his life. The goal that was destroyed by the tragic event on October 6, 1976 and it was again torn down by the disappointment when he had joined the CPT.

"I do not want to slip and fall again. I really want to look ahead and try not to get stuck with the dark side of the October 6 incident. I want to see the bright side of it and hope that it will be the lesson for Thai people," the former student leader said.

## Thammasat To Hold Religious Ceremony

THE October 6 Bloodbath will be remembered today in a day-long function to be held at Thammasat University — the scene of the massacre 10 years ago.

Pusit Prakongsai, secretary general of the Student Federation of Thailand (SFT), said students, politicians and family members of the students who died in the bloody event will take part in today's ceremony.

He said a religious ceremony will be conducted in the morning to be followed by panel discussion on the role of the student and labour movements.

In the afternoon, there will be a slide show and another panel discussion on the history of the October 6.

The SFT also plans a similar function for the 13th anniversary of the October 14 Uprising, he said.

/9317

CS0: 4200/84

THAILAND

PRINCESS DISCUSSES CROWN PRINCE, BEATINGS

Bangkok BANGKOK POST in English 1 Oct 86 p 33

[Text]

"THE Prince and I love each other like other lovers do. When Their Majesties the King and the Queen realised the truth of this, they didn't oppose our wish."

After nearly a decade of their marriage, Her Royal Highness Princess Soamsawali has talked for the first time about her relationship with His Royal Highness Crown Prince Maha Vajiralongkorn, denying the rumour that their marriage was arranged by Their Majesties.

In an interview published in the latest issue of *Kanda* magazine, Princess Soamsawali talks about her life as a member of the Royal Family, and as the mother of her daughter, Princess Bhajara Kit-tyabha. The interview took place recently at Amphorn Palace.

Princess Soamsawali, who was born Mom Luang Soamsawali, has been familiar to other members of the Royal Family ever since she was young.

"I was born in London, and Their Majesties sent a congratulatory message upon my birth to my parents there. I was nine days younger than HRH Princess Chulabhorn, therefore we have been especially close all along. At the age of two, I got back to Bangkok and studied at the Chitralada School in the same class as Princess Chulabhorn."

Meanwhile, she described the young Crown Prince as "mischievous". "He loved teasing us. Princess Chulabhorn and I braided our

hair, and whenever he walked past us, he would always either pat our heads or pull the braids," she said.

Talking of her childhood, Princess Soamsawali said she was sometimes more mature than her age. "My parents never spoilt me. And besides, I had to help them take care of my sister, who is nine years younger than I." Her younger sister is M.L. Saralee Kit-tyakara.

Asked about the change in her role from the former Mom Luang Soamsawali to the Princess, the Royal daughter-in-law, she said that such status required a constant awareness. "As Mom Luang Soamsawali, there's nobody to watch me, which is the simple and peaceful way of life I love. But now there are more and more people surrounding me, and I have to be more careful."

Yet she can still manage to be on her own, especially when shopping. "I drive, sometimes taking my daughter with me. I go to the market by myself, just like any ordinary housewife. At times I bargain if I find things too expensive."

It was the Crown Prince who taught her to drive. "At that time we were still young lovers. He took me for driving lessons around the Chitralada Palace. It's fun. I love it. But my father, a very strict lawyer, did not allow me to drive, arguing that I was too young legally."

Like many other drivers in Bangkok, Princess Soamsawali has experienced hard times on the

road. "The Crown Prince instructed me in the full driving regulations, as a male driver, not a female one."

She was a fast learner of driving. "But before being able to, I had a lot of scoldings from the Crown Prince. There were times when I put it in the wrong gear, he simply nit me, till I got out of the car with tears in my eyes. I almost gave up, but later I knew that he got tough because of his good will."

Her first accident happened when she drove to Thieves Palace without any police escort. "I was following a taxi which stopped in the road every once in a while, and the driver didn't check in his rear-view mirror. I bumped into his rear end, and had to pay him 1,000 baht."

Another time she was overtaking a car near Chitriada Palace after checking to make sure nothing was coming. "But suddenly a car sped through a red light out of nowhere and bumped into my car. I sat quietly, knowing that I was not in the wrong. The driver walked confidently towards me and pointed his finger to my face. Upon seeing who I was, he started trembling, and then the police approached, asking how he drove. He simply handed over his card and hurried away."

"Later on, I sent someone to contact him, and he replied that he was in the wrong and was willing to cover the damage. I told him that I did not want to prolong the case. 'Let's get the cars repaired on our own,' I suggested. 'All I wish,' I told him, 'is for you to drive more carefully. If this had happened with somebody else, they'd never ever let you go.' I just gave him this lesson."

The Princess then talked about her daughter. "She is a lively, sweet girl, who can be stubborn at times just like other kids. But when I talk to her with reason,

which is the way I bring up my child, she understands."

"She is also very thoughtful; sometimes, she thinks beyond her age. Sometimes I have been shocked by her straightforward way of talking, which sounds quite adult."

Princess Soamsawali always keeps a close eye on her daughter's schoolwork. "I keep in close contact with the school, and we consult each other over how she's doing at school, or if there's any problem."

About her looks, notably her strikingly fresh complexion, she said she does not normally put on make-up. "At home, I don't wear make-up at all, just put on baby powder or sometimes lipstick. I love putting make-up on for myself, because when someone else does it for me, I feel as if they are dumping a lot of colour and things over my face. That's too showy, so I don't like it."

Asked about her make-up skills, she said she was self-taught. "My mother was very strict at first. She never let her daughter put on make-up. The best she allowed was perfume and lip gloss. Later on, when I had some money of my own, I sneaked eyeshadow. You know how a 17-year-old girl loves to beautify herself. Seeing that my mother didn't complain, I gradually bought more and more lipsticks and all."

Clothes? "I don't actually follow fashion. I love to remain in the middle path. I don't like sumptuous clothes; those are suitable for models or stars. Besides, such clothes must be discarded after being worn just once, whereas my clothes can be used for years, as you may have noticed."

Those are some aspects of life of the Princess who, along with other members of the Royal Family, shoulders the heavy task of helping to better the quality of all our lives.

THAILAND

ARMY ADVISORY BOARD LED BY THANOM TO ASSERT ROLE

Bangkok THE NATION in English 14 Oct 86 p 5

[Excerpt]

THE army "think tank" which comprises 21 retired top-brass officers will get down to work early next month with a tour to army posts in provinces.

The army advisory board, chaired by former prime minister and supreme commander, Field Marshal Thanom Kittakachorn, plans to visit the ranger unit at Pak Thongchai District of Nakhon Ratchasima, the army armoury in Lopburi, and other newly-established army units.

After concluding the tour, the board will meet to discuss assignments for its members.

Army Commander-in-Chief Gen Chavalit Yongchaiyudh set up the advisory board in early August to provide the army with advices and guidelines.

The board chairman Thanom stated yesterday that the panel had never given advice to Gen Chavalit on political issues.

However, Thanom yesterday commented on the rift in the coalition government, saying that the problem was caused by politicians.

He said a solution to the problem was to amend the Constitution to completely separate the powers of the executive from the legislative branches.

He supported a greater role for the appointed senators and added that Cabinet members should not be parliamentarians.

He, meanwhile, voiced opposition to the idea to have the House speaker be the president of the Parliament.

/9317  
CSO: 4200/84

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

PEACE YEAR ACTIVITIES REPORTED TO UN ASSEMBLY

OW280921 Hanoi Domestic Service in Vietnamese 1100 GMT 27 Oct 86

[Text] On the occasion of the 41st UN General Assembly session's debate on the topic "International Year of Peace," the United Nations has circulated the SRV's report on the activities held in Vietnam in the international year of peace as its official document. The report was submitted to the United Nations on 20 October by Ambassador Bui Xuan Nhat, acting chief of the SRV delegation to the United Nations. It sums up all activities undertaken by Vietnam's state organs, mass organizations, and people in responding positively to the UN proposal to turn 1986 into an international year of peace.

As stressed in the report, the most salient activity in Vietnam was the setting up of the Vietnam committee for the international year of peace by the SRV Council of Ministers with the participation of SRV National Assembly Vice Chairman Phan Anh as its chairman and of representatives of many government organs and mass organizations. In mid-September, prior to the opening of the 41st UN General Assembly session, the Vietnam committee for the international year of peace received many reports on the activities held in the international year of peace by many Vietnamese state organs and mass organizations, including the Ministries of Culture and Education, the Vietnam Confederation of Trade Unions, the Vietnam Women's Federation, the Ho Chi Minh Communist Youth Union, the Physical Education and Sports General Department, the Posts and Telecommunications Department, the Vietnam Plastic Artists Association, the Vietnam Musicians Association, and the Handicrafts and Fine Arts Export-Import Corporation.

In his report to the 41st UN General Assembly session on the topic "International Year of Peace," UN Secretary General de Cuellar highly valued the activities of the SRV in response to the UN appeal for turning 1986 into an international year of peace.

/9738

CSO: 4200/94



INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

# NHAN DAN HAILS INDIA'S STAND ON CAMBODIA ISSUE

OW260833 Hanoi VNA in English 0717 GMT 26 Oct 86

[Text] Hanoi, 26 Oct (VNA)--"The Vietnamese people highly value India's clear-cut and firm stance on the Kampuchean issue and its great efforts for peace and security in Asia, the Pacific, and the rest of the world," says NHAN DAN in a commentary today.

The leading Hanoi paper, in a commentary on Indian Prime Minister Rajiv Gandhi's recent visit to four countries in Southeast Asia and southern Pacific Ocean, highlights India's consistent policy toward the struggle against the arms race, especially the weapon race in outer space, for economic sanctions against the apartheid regime, and against the western countries' policy of embargo toward developing countries' products at international markets.

During this trip, the Indian prime minister reiterated India's unswerving stand and clear-cut attitude toward the Kampuchean situation. He firmly recognized the People's Republic of Kampuchea. In Jakarta, he pointed out that Pol Pot or his representatives are not allowed to participate in the future government of Kampuchea in whatever forms. In Thailand, he stressed that India will continue to recognize the People's Republic of Kampuchea and support all negotiations and that India does not want to see the Khmer Rouge returning to power in Kampuchea. Back in New Delhi, Prime Minister Rajiv Gandhi reaffirmed that India recognizes the government of President Heng Samrin in Kampuchea and wishes that Kampuchea's seat at the United Nations organization be returned to this government.

NHAN DAN says: "Together with the fraternal peoples of Kampuchea and Laos, the Vietnamese people sincerely thank Prime Minister Rajiv Gandhi, the government and people of India for their unswerving and strong support for the just struggle of the three Indochinese countries. India's support has brought a valuable and great encouragement to the peoples of Vietnam and the other two Indochinese countries."

/9738

CSO: 4200/75



INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

CHEA SIM RECEIVES HO CHI MINH COMMUNIST YOUTH GROUP

BK290647 Phnom Penh SPK in French 0430 GMT 29 Oct 86

[Text] Phnom Penh, 29 Oct (SPK)--A delegation of the Ho Chi Minh Communist Youth Union, led by its second secretary, Ha Quang Ly, has just completed a visit to Cambodia.

During its stay, the delegation was received by Chea Sim, member of the Political Bureau of the KPRP Central Committee and chairman of the National Assembly and of the KUFNCD National Council, who expressed warm appreciation for the cooperation between the youths of the two countries and thanked the Ho Chi Minh Communist Youth Union for its active contribution to the Cambodian revolution.

The delegation also had talks with Sam Sundoeun and Shaong Sam-an, respectively secretary and deputy secretary of the provisional committee of the Cambodian People's Revolutionary Youth Union, during which a program of cooperation for the 1986-90 period was signed. The visitors also toured some industrial, health, and cultural centers and a model village in Kandal.

/9738

CSO: 4219/4

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

HANOI MASS RALLY SUPPORTS AFGHAN GOVERNMENT

OW241953 Hanoi VNA in English 1530 GMT 24 Oct 86

[Text] Hanoi, 24 Oct (VNA)--A mass meeting was held here this evening in solidarity with the full support for the revolutionary cause of the Afghan people on the occasion of "day of world people's support for Afghan revolution" (25 October).

The meeting was jointly sponsored by the Central Committee of the Vietnam Fatherland Front, the Vietnam Afro-Asian People's Solidarity Organization (AAPSO) and the Vietnam-Afghanistan Friendship Association.

It was attended by the Charge D'affaires A.I. of the Afghan Embassy, Mir Yahia Mahmood.

Speaking at the meeting, Nguyen Van Tien, presidium member and general secretary of the Fatherland Front Central Committee, and Mir Yahia Mahmood recalled the situation in Afghanistan. They both denounced the Pakistani authorities backed by the United States and the expansionists and hegemonists for escalating an undeclared war against Afghanistan.

The meeting adopted a resolution which stresses that the hostile acts against the Afghan people are an insolent challenge towards all the peoples, seriously violating the basic principles of international laws and the UN charter and threatening peace and security in the region.

The Vietnamese people are resolutely against the systematic hostile acts of the U.S. imperialists, the expansionist, and hegemonist forces and the Pakistani authorities. They demand that these reactionary forces immediately stop their adventurous military policies and intervention into the internal affairs of the Afghan people, stop right away all kinds of aid in weapons and other war materials to the rebel forces inside Afghanistan.

They also demand that these forces respect the independence, sovereignty and territorial integrity of Afghanistan so that the Afghan people can settle their own affairs and build a peaceful, happy and prosperous life in their chosen way.

The resolution reaffirms Vietnam's total solidarity and strong support for the Afghan fraternal people's just cause of national defense, as well as for the recent goodwill decision of the Soviet Union to withdraw six regiments of its army volunteers from Afghanistan. The Vietnamese people also support the other peace initiatives of the two countries for stepping up the process of a satisfactory solution to the Afghan issue, thus helping build peace, security and stability in this part of the world, says the resolution.

/9738

CSO: 4200/75

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

NHAN DAN EXPRESSES SOLIDARITY WITH AFGHAN PEOPLE

OW250731 Hanoi VNA in English 0710 GMT 25 Oct 86

[Text] Hanoi, 25 Oct (VNA)--The leading paper NHAN DAN today voices the Vietnamese people's militant solidarity with the fraternal Afghan people on the occasion of "day of world people's support for Afghan revolution" (25 October).

The paper notes with joy that over the past decade the fraternal Afghan people have surmounted untold difficulties and trials caused by natural calamities and the enemies to obtain brilliant achievements in all fields. The partial withdrawal of Soviet army volunteers from Afghanistan effected by the agreement of the Soviet Union and Afghanistan has shown the strong growth of the Afghan armed forces and the irreversibly posture of the Afghan revolution, thus making an important contribution to preserving peace and security in south Asia, Asia and the Pacific, and the world as a whole.

"In spite of their bitter failures," the paper denounces, "the U.S. imperialists, working hand in glove with the Pakistani ruling circles and other reactionary forces, have continued with their hostile policy of increasing their military and financial aids to the Afghan rebels, launching a series of slanderous campaigns against Afghanistan and the Soviet Union, intensifying confrontations, prolonging their undeclared war against Afghanistan, and preventing a peaceful political solution to the questions relating to the Afghan situation".

"The militant solidarity and close cooperation between the Afghan people and the peoples of Vietnam and the three Indochinese countries as a whole have fruitfully developed," the paper notes. "Together with the important peace initiatives advanced by the Soviet Union, the reasonable and constructive proposals put forth by Afghanistan and the Indochinese countries aimed at solving the regional issues are vivid expression of their one-mindedness and tireless efforts for political dialogue with a view to bringing peace, stability, cooperation and friendship in south Asia, southeast Asia and the world over".

"Together with the whole progressive mankind, the Vietnamese people reaffirm their resolute stance to side with the fraternal Afghan people. The Afghan revolutionary cause will win", stresses the paper in conclusion.

/9738

CSQ: 4200/75

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

BRIEFS

**DUTCH-EQUIPPED LABORATORY**--Hanoi, 23 Oct (VNA)--Hanoi University has put into operation a general physics laboratory equipped by Amsterdam University, Holland, on the occasion of the former's 30th founding anniversary. This is in the cooperation program between Vietnamese and Dutch colleges and universities. Over recent years Hanoi University also has put into function laboratories in biology, chemistry and low-thermo-physics an electronic-engineering workshop and other schooling facilities. Present at the inauguration ceremony were the lab project sponsor, Dr Van Rossum, and Dutch specialists working at the university. [Text] [Hanoi VNA in English 0714 GMT 23 Oct 86 OW] /9738

**ROMANIAN ARMED FORCES DAY**--Hanoi, 24 Oct (VNA)--Defense Minister General Van Tien Dung has extended his greetings to his Romanian counterpart, Senior Lieutenant General Vasile Milea, on the 42nd Romanian Armed Forces Day (25 October). The message notes that the Romanian Army is siding with the Armed Forces of the member countries of the Warsaw Treaty to defend peace and security in Europe and the rest of the world. The officers and men of the Vietnam People's Army have always followed and rejoiced at the achievements of the fraternal Romanian people and army, says the message. It wishes the Romanian Army greater, more brilliant achievements in the implementation of the resolution of the 13th congress of the Romanian Communist Party. "May the solidarity and friendship between our two peoples and armies further consolidate and develop," concludes the message. [Text] [Hanoi VNA in English 1518 GMT 24 Oct 86 OW] /9738

**SRV-USSR EXCHANGE PLAN**--Hanoi, 24 Oct (VNA)--A plan on cultural and scientific cooperation between Vietnam and the Soviet Union for 1986-1990 was signed here today. Signatories were Vice Minister for Foreign Affairs Hoang Bich Son, and Soviet Ambassador Dmitry Ivanovich Kachin, on behalf of their respective governments. This five-year plan defines that the two countries will broaden, strengthen and increase the efficiency of their cooperation in the cultural and scientific fields aimed at actively carrying out the economic-political tasks worked out by the coming sixth congress of the Communist Party of Vietnam and the 27th congress of the Communist Party of the Soviet Union. Cu Huy Can, cabinet minister in charge of artistic and cultural work in the Council of Ministers' Office, was present at the signing ceremony. [Text] [Hanoi VNA in English 1548 GMT 24 Oct 86 OW] /9738

AUSTRIAN NATIONAL DAY--Hanoi, 25 Oct (VNA)--State Council President Truong Chinh has extended his greetings to President Kurt Waldheim on the 31st national day of the Republic of Austria (26 October). [Text] [Hanoi VNA in English 1520 GMT 25 Oct 86 OW] /9738

MOZAMBIQUE'S MACHEL MOURNED--Hanoi, 26 Oct (VNA)--All central and Hanoi offices shall fly flags at half-mast on 28 October in mourning Moises Machel, president of the Frelimo Party and of the People's Republic of Mozambique, who died in a recent air crash. This decision was made public by the Council of Ministers in a communique here today. [Text] [Hanoi VNA in English 1505 GMT 26 Oct 86 OW] /9738

AID FROM SOVIET UNION--Hanoi, 28 Oct (VNA)--The USSR-Vietnam friendship society has just sent a quantity of goods as gift to the chapter of the Vietnam-USSR Friendship Association of the southern province of Song Be. The gift includes cars, film projectors, tv set, slide projectors, recorders, radios, cameras and Russian text books, which are destined to promote the activities of the chapter in the province. [Text] [Hanoi VNA in English 1445 GMT 28 Oct 86 OW] /9738

POLISH YOUTH DELEGATION ARRIVES--Hanoi, 28 Oct (VNA)--A delegation of the Polish Socialist Youth Union led by its first president K. Janik arrived here this morning for an official visit to Vietnam. In the afternoon, the delegation was received by Vu Mao, member of the Communist Party of Vietnam Central Committee and first secretary of the Ho Chi Minh Communist Youth Union. During the reception, K. Janik expressed his belief that the visit will help consolidate the friendship, strengthen the cooperation and mutual understanding between youths of the two countries. For his part, Vu Mao warmly welcomed the Polish delegation and informed it of the Vietnamese young people's work in the cause of national construction and defense. [Text] [Hanoi VNA in English 1500 GMT 28 Oct 86 OW] /9738

USSR SHOES, GARMENTS AID--Under the framework of all-round cooperation between the Soviet Union and Vietnam, representatives of the Soviet shoes and garment sectors have arrived in Vietnam to discuss cooperation in the production of various commodities. These include children shoes, sport shoes, woman overcoats, shirts, knitwork, and leather goods. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 12 Oct 86 BK] /9738

INDOCHINESE, ASEAN DELEGATES MEET--While attending the world congress in support of the International Year of Peace held in Copenhagen, Denmark, from 15-19 October, the Philippine, Malaysian, Singaporean, Thai, Cambodian, Lao, and Vietnamese delegations met and informed one another of the activities conducted in support of the International Year of Peace and exchanged views on issues concerning Southeast Asia. The delegates warmly welcomed the world congress in support of the International Year of Peace and the Copenhagen appeal and firmly believed that the congress would contribute toward strengthening unity and unifying actions among the forces and movement of peace against nuclear war throughout the world in order to preserve peace and the future of mankind. [Text] [Hanoi Domestic Service in Vietnamese 1100 GMT 23 Oct 86 BK] /9738

CSO: 4209/94



PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

RADIO REPORTS TAN AN PARTY CONGRESS

BK230515 Hanoi Domestic Service in Vietnamese 0500 GMT 22 Oct 86

[Report by station correspondent Mai Van on the fourth Tan An Town party congress entitled: "Tan An Town on the path of renovating ways of thinking and acting"]

[Text] During the recent party delegates' congress of Tan An Town, Long An Province, which was held in early October, many problems were raised in a scrupulous, frank, and responsible manner. Nevertheless, the problem of most interest which the delegates concentrated on and discussed was how to renovate the way of thinking and the measures of implementation.

As a matter of fact, like other localities in the past 10 years, despite having already held three congresses, Tan An could not extricate itself from the confinement of bureaucracy and subsidization. Work and construction in Tan An during the past years was restricted not only by red tape and subsidization but also by confusion and fumbling due to outdated ways of thinking and doing.

For a long time, Tan An hapazardly groped for ways to work and building itself because it had not formulated any general plan, nor had it been able to clearly determine its economic structure. Work at times is started sluggishly and at other times hastily and confused.

Determination of the economic structure was not initiated until the third party congress for the 1983-85 period, and the attempt was inadequate. Consequently, on the economic battlefield during the past 3 years Tan An Town has encountered many difficulties; some of the problems seem to be insolvable. Industrial and handicraft and artisan industry production has not been stabilized. The production of consumer goods has been discontinued several times and quality remains poor. The production of export goods is still unstable. Imbalances still prevail in agricultural production between animal raising and cultivation and the development of trades and jobs. Specialized vegetable cultivation has not been shaped up completely. The number of domestic animals and fowls increased one year then decreased the next. Vegetable and secondary food crop production has seriously decreased.

Meanwhile, distribution and circulation has not served production and life. In this party congress of Tan An Town, the delegates asserted with frankness and sincerity that the main causes of the aforesaid problems were passiveness and lack of determination to renovate ways of thinking and acting.

During the congress, the delegates also properly assessed some achievements as initial successes in changing the ways of thinking and acting.

Despite many difficulties, especially in raw and other materials, the handicrafts and artisan production has developed well with a 23 percent increase in the value of annual gross output and 75 types of goods turned out to meet most of the vital demands of the town people and part of the export requirements.

Agriculture alone has achieved an annual increase of 11 percent in the value of total production. The rate of land use has also increased from 1.9 times in 1983 to 2.3 times in 1985. Rice production has increased from 35,000 metric tons in 1983 to more than 48,000 tons in 1985. The average per capita was 448 kg in 1985 for the town people.

Meanwhile, the socialist trade network in Tan An has accounted for 80 percent of the wholesale and 70 percent of the retail sales in the marketplace. Although Tan An Town is still slow in renovating its economic management, the experimental renovation of economic management in some primary installations has begun to bear some success.

After renovating management, Cay Tre Paper Production Cooperative has reduced its indirect labor by 30 percent while still increasing labor productivity by 1.5 times. In Khanh Hau Village, after reducing indirect labor from 5 to 3 persons in various production collectives and from 15 or 17 to 9 or 10 persons in cooperatives, and after eliminating all unnecessary expenses, the income of production collective and cooperative members has increased from 4.5 kg of rice—the value of one work-day—to 9 or 13 kg.

The new ways of thinking and doing in Tan An Town are further manifested by the reassessment of its existing potential as well as the redetermination of its position in Long An Province. On this basis, suitable guidelines and measures of implementation have been established by the town.

Tan An possesses not only an abundant labor force but also high technical skills such as rush mat weaving, carpentry, fine arts, and so forth. It not only has fertile land and plenty of crops and domestic animals such as rice, coconut, peanut, sugarcane, cattle, pigs, ducks, and so on, but also abundant raw materials such as hemp, bamboo, and so forth. On this basis, Tan An Town has determined its economic structure, that is, to develop handicrafts and artisan industry and agriculture, and to expand the service network.

Obviously, Tan An cannot belittle other tasks such as distribution and circulation, capital construction, and development of communications and transportation, educational reform, and so forth.

Problems and questions raised about the economic structure of Tan An are clearly not groundless. In this congress, besides putting forth the guidelines, tasks, and important objectives for the coming three years, the delegates also considered a general plan for the two until the year of 2,000 which serves as an answer to the determination of Tan An Town's economic structure.

Realistic experiences in the past years show that even though agriculture in Tan An has developed, it still remains poor and unbalanced. One of the main causes of this situation is that industry has not met the requirements of agriculture. Consequently, in the coming three years, priority must still be given to the development of industry, especially those involved in processing agricultural and food products. As for the service sector, it also cannot go out of the agricultural orbit and must remain within the area of agricultural operations to repair agricultural implements, manufacture tools, and produce fertilizer and feed.

Although having determined the agriculture-industry-service structure, Tan An always considers agriculture the most important battlefront. In order to become the cultural, political, and economic center of the province as decided by a resolution of this fourth party congress of the town, Tan An has no other choice than renovating its ways of thinking and acting as prescribed by the congress.

/9738

CSO: 4209/94

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

BRIEFS

NGUYEN VAN LINH ADDRESSES CONGRESS--SAIGON GIAI PHONG devotes much space in its 24 October issue to covering the proceedings of the fourth party congress of Ho Chi Minh City. Under a banner headline across its frontpage that reads "In the 2d Day of Work of the City Party Organization Congress," the paper reports that Comrade Nguyen Van Linh delivered a speech. He said: Never before did we fully and deeply realize the significance and heavy duty of a party congress as we do this time with regard to a current burning issue that is of vital importance. Ho Chi Minh City must further develop its position and role as a central area. After pointing out the city's strong and weak points, Comrade Nguyen Van Linh spent the greater part of his address dealing with the city's important tasks. [Text] [Hanoi Domestic Service in Vietnamese 1100 GMT 25 Oct 86 BK] /9738

CSO: 4299/94

ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

BRIEFS

INSURANCE COMPANY EXPANDS--Hanoi, 29 Oct (VNA)--The Vietnamese Insurance Company (Baoviet) is the country's sole agency in charge of insurance. Formerly, Baoviet undertook insurance on imported and exported goods and ships. Since the liberation of South Vietnam, the company has broadened its business to oil and natural gas survey and exploitation, air transport, passengers on public vehicles, car owners, seaside holiday-makers, stock-breeding and fishing vessels. Baoviet cedes insurance to and takes reinsurance from other companies from socialist countries, western and northern Europe, Latin America, Southeast Asia and Japan. It is also the agent for many foreign insurers to survey and settle the claims of insureds in Vietnam. At present, besides its head-quarters in Hanoi, the company has branches in other 40 provinces and cities across the country. Baoviet also has a network of survey and settling agents at many sea-ports abroad. [Text] [Hanoi VNA in English 0700 GMT 29 Oct 86 OW] /9738

CSO: 4200/75

AGRICULTURE

VIETNAM

RADIO REPORTS ON AGRICULTURAL PROGRESS IN PAST SIX YEARS

BK261140 Hanoi Domestic Service in Vietnamese 2300 GMT 15 Oct 86

[Text] Over the past 6 years, Vietnamese agricultural production has faced many obstacles due to harsh weather, repeated natural calamities such as storms and floods, and harmful insects and diseases which have inflicted heavy losses on crops. However, in the light of the resolution of the Fifth Party Congress and in response of the World Food Day, 16 October 1981, the Vietnamese people have surged forward to effect great changes on the front of grain and foodstuff production.

In 1981, grain output was only 15,070,000 metric tons. By 1985 it had shot up to 18.2 million metric tons, with paddy production increasing from 12,550,000 metric tons to 15.7 million metric tons, corn from 115,500 metric tons to 690,000 metric tons, and soybeans from 56,400 metric tons to 86,000 metric tons.

Along with the development of grain and food crop cultivation, the livestock raising sector has also made notable progress in the past few years. The hog population, totaling 10,040,000 in 1981, increased to 13 million in 1985, poultry rose from 69.8 million to 92.8 million, and cattle from 4.14 million to 5.2 million. Meanwhile, the catch of marine products increased from 580,000 metric tons to 800,000 metric tons.

In the past 6 years, 30 new crop varieties have been officially introduced into the crop production pattern, while many uniform measures of intensive cultivation have been applied and practiced nationwide.

/9738

CSO: 4209/94



AGRICULTURE

VIETNAM

TEN DAYS OF AGRICULTURAL ACTIVITIES REVIEWED

OW241233 Hanoi Domestic Service in Vietnamese 1100 GMT 20 Oct 86

[Text] Dear Friends: Here are some salient features of agricultural production over the past 10 days:

To date, the whole country has basically completed the summer-fall rice harvest. According to initial reports, per hectare paddy yield of this summer-fall rice crop is 1 quintal less than that of last year. Thuan Hai achieved 42.2 quintals per hectare while Hau Giang achieved 40 quintals, Minh Hai 37 quintals, and Nghe Tinh 22.3 quintals.

Regarding 10th-month rice production, the northern provinces have harvested 140,000 hectares of early rice, or 11 percent of the planted acreage, achieving a paddy yield of around 30 quintals per hectare and a pace of harvesting 4 times faster than in the same period last year. As many as 210,000 hectares of 10th-month rice have been affected by harmful insects. Ricefields seriously damaged by pests included 48,000 hectares in Ha Nam Ninh, 41,000 hectares in Hai Hung, and 24,000 hectares in Nghe Tinh. The main harmful insects are stem borers, army worms, and rice mealy bugs. About 2,000 hectares in Thanh Hoa and Nghe Tinh have been ravaged by rice mealy bugs. The current problem is the shortage of insecticides. Stem borers are currently ravaging from 5 to 20 percent of the acreage of glutinous rice.

By 15 October, the entire 10th-month rice had eared up. As many as 13,000 hectares in the north are being affected by drought. Water shortage will be affecting late-rice planting in some areas. Localities are currently fighting drought by using every means available to secure sufficient water for the rice crop. Meanwhile, southern localities have transplanted 1,588,000 hectares of 10th-month rice, or 92 percent of the planned acreage.

The Mekong Delta provinces have basically completed 10th-month rice transplanting. In general, the current rice crop is developing well, but rice pests are spreading in many areas affecting 38,000 hectares in Tau Giang, 31,000 hectares in Cuu Long, and 4,000 hectares in Long An. Most of the harmful insects are leaf folders, rice army worms, and brown planthoppers.

From 4 to 8 October, due to heavy rainfall, some 12,000 hectares of 10th-month rice in Quang Nam-danang were flooded, including 6,000 hectares that were seriously damaged.

From 10 to 12 October, floods damaged some 1,904 hectares of 10th-month rice in Hoang Lien Son.

Winter rice cultivation has been on schedule under favorable conditions. Some 120,000 of 300,000 hectares have been planted as planned. The cultivation period for corn, soybean, and sweet potato has now ended. It is impossible now to complete the planting of 50,000 hectares of sweet potato as planned, even by using such methods as splitting germs and sowing seeds.

Localities are currently making preparations for winter-spring rice cultivation by securing material supplies, fertilizers, gasoline, and oil.

Northern localities have completed the plowing of fields for planting rice seedlings. In the high mountain region, where the weather is very cold, rice seedlings have been planted. A number of localities are currently short of seeds and technical equipment for fifth-month spring rice cultivation.

In the days ahead, localities should concentrate on quickly harvesting the 10th-month rice, properly selecting seeds for the next crop, promptly eradicating army worms and brown planthoppers, plowing fields for winter rice cultivation as soon as the harvest is finished, accelerating the cultivation of winter rice and other crops such as sweet potato and soybean because the cultivation period is nearly over, tending freshly planted winter crops, carefully selecting and securing sufficient seeds for the winter-spring crop cultivation season, protecting and tending the herd of buffalo and cattle during the winter season, and protecting domestic animals against epizootic diseases.

/9738

CSO: 4209/94

AGRICULTURE

VIETNAM

VNA REPORTS ON AGRICULTURAL DEVELOPMENTS IN SRV

OW270809 Hanoi VNA in English 0704 GMT 27 Oct 86

[Quotation marks as received]

[Text] Hanoi, 27 Oct (VNA)--"Vietnam's total food output rose from 15.07 million tons in 1981 to 18.2 million tons in 1985. Rice output increased from 12.55 million tons to 15.7 million tons, maize from 115,500 tons to 590,000 tons, and soybeans from 56,400 tons to 86,000 tons.

These achievements resulted from the great efforts of farmers backed by the party and state's judicious economic policy, assistance from socialist countries and other friendly countries, and international organizations including the UN Food and Agriculture Organization (FAO).

"By early November Vietnam reaped 820,000 hectares of summer-autumn rice, accounting for 92 percent of total acreage, and up by 7 percent over the same period last year.

"Vietnam's northern mountain areas which cover 29 percent of the country's natural land and 13 percent of the country's agricultural land increased its food output in paddy equivalent from 105 million tons in 1980 to 1.31 million tons in 1985, and its annual food share per head among the population from 223 kg to 262 kg in the same period of time. This is thanks to the application of intensive farming methods and scientific and technical advances to agricultural production.

--the northern border province of Cao Lang obtained 4 tons of autumn rice per hectare on average, nearly one ton per hectare more than in the same crop last year.

--the annual increase of food output in the northern border province of Hoang Lien Son in the past 5 years was 2.8 percent, and the province's food share per head reached 310 kg a year.

--the northern border province of Lang Son plans to grow in the forthcoming winter-spring season 1,150 ha of anis trees, 2,570 hectares of tung trees and more than 38,000 hectares of tea oil plants and rattan for export.

--Ha Son Binh Province, southeast of Hanoi, plans to double its winter maize acreage, of which 6,000 ha will be planted with high-yield varieties.

--Hai Hung Province, southeast of Hanoi, in the recent summer crop grew the dt-1 rice variety on 4,000 hectares, each yielding nearly 5 tons. This variety, created by the Center for Agricultural Genetics, is widely grown in the province.

/9738

CSO: 4200/75

AGRICULTURE

VIETNAM

BRIEFS

PHU KHANH RICE HARVEST--By early October, peasants in Phu Khanh Province had harvested 26,000 out of 30,800 hectares of summer-fall rice, with a yield of 4.5 metric tons per hectare. Due to prolonged drought at the beginning of the cultivation, Phu Khanh Province was able to plant summer-fall rice on only 92 percent of the planned area. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 7 Oct 86 BK] /9738

DONG THAP RICE PROCUREMENT--As of early October, Dong Thap Province was able to procure only 75,600 metric tons of rice for the state under two-way contracts. This was due to the province's failure to constantly encourage the peasants to fulfill satisfactorily their grain obligation to the state. [Summary] [Hanoi Domestic Service in Vietnamese 1430 GMT 10 Oct 86 BK] /9738

HAU GIANG GRAIN DELIVERY--In September, Hau Giang Province delivered 62,000 metric tons of paddy to state granaries. This brought to 83,000 metric tons the total quantity of paddy already delivered to state granaries during the summer-fall crop season. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 7 Oct 86 BK] /9738

CROP CULTIVATION NATIONWIDE--In the last week of September, Vietnamese farmers throughout the country put nearly 20,000 more hectares under subsidiary food crops. This has brought the total area of these crops to 300,000 hectares. [Summary] [Hanoi International Service in English 1000 GMT 12 Oct 86 BK] /9738

NORTHERN HARVEST PROGRESS REPORTED--Peasants in northern Vietnam are quickening up the harvest of early autumn rice and have put 22,000 hectares under winter crops. In the south, the peasants have transplanted more than 1.6 million hectares of autumn rice. Meanwhile, workers at the construction site of the Pha Lai Thermoelectric Power Plant have completed the assembly of the machine unit No. 4. They are trying to make this unit operational by the end of this year. The power plant, being built with Soviet assistance, is 60 km northeast of Hanoi. [Text] [Hanoi International Service in English 1000 GMT 24 Oct 86 BK] /9738

CSO: 4200/75

END

**END OF**

**FICHE**

**DATE FILMED**

DEC. 10, 1986



